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**COMPREHENSIVE ANNUAL FINANCIAL REPORT/AUDIT COMMITTEE PRESENTATION****POLICY ISSUE / SITUATION:**

The District Audit Committee met with the District's independent auditors in November to review the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2014. The Committee Chair, Rob Drake, will present the CAFR to the School Board tonight.

**BACKGROUND INFORMATION:**

Audit committees play an important role in the private sector, facilitating communication between management, the independent auditors and the Board of Directors. In recent years, audit committees have also become increasingly common in the public sector. The Government Finance Officers Association (GFOA) recommends that every government, regardless of size, formally establish an audit committee or its equivalent.

The audit committee's primary responsibility is to oversee the financial reporting and disclosure process, including all aspects of the independent audit, from the selection of the auditor to the resolution of audit findings. The audit committee presents to the governing board and management an annual report of how the committee has discharged its duties and met its responsibilities.

Audit Committee Membership

Rob Drake – Chair

Geoffery Dougall

Simer Singh, Budget Committee

Sang Ahn

Anne Bryan, School Board

LeeAnn Larsen, School Board

District representation on Committee:

Claire Hertz, Chief Financial Officer

Gayellyn Jacobson, Administrator for Fiscal Services

Jason Guchereau, Finance Manager

**RECOMMENDATION:**

It is recommended that the School Board receive the Comprehensive Annual Financial Report as presented by the District Audit Committee.

**(14-486)** BE IT RESOLVED that the School Board of Beaverton School District hereby receives the Comprehensive Annual Financial Report for the year ended June 30, 2014 now on file in the Office of the Chief Financial Officer.

**District Goal:** All students will show continuous progress toward their personal learning goals, developed in collaboration with teachers and parents, and will be prepared for post-secondary education and career success.

The Beaverton School District recognizes the diversity and worth of all individuals and groups. It is the policy of the Beaverton School District that there will be no discrimination or harassment of individuals or groups based on race, color, religion, gender, sexual orientation, gender identity, gender expression, national origin, marital status, age, veterans' status, genetic information or disability in any educational programs, activities or employment.

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the year ended June 30, 2014





**BEAVERTON SCHOOL DISTRICT**  
Beaverton, Oregon

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Prepared by:  
Business Services Department

Jeff Rose, Ed.D.  
Superintendent

Claire Hertz  
Chief Financial Officer

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**BEAVERTON SCHOOL DISTRICT**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b><u>INTRODUCTORY SECTION:</u></b>	
Letter of Transmittal .....	i
Certificate of Achievement for Excellence in Financial Reporting Award .....	viii
Certificate of Excellence in Financial Reporting .....	ix
Organizational Chart .....	x
Appointed and Elected Officials .....	xi
 <b><u>FINANCIAL SECTION:</u></b>	
<i>Independent Auditor's Report</i> .....	3
<i>Management's Discussion and Analysis</i> .....	9
<b><i>Basic Financial Statements:</i></b>	
Government-wide Financial Statements:	
Statement of Net Position .....	23
Statement of Activities .....	24
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	25
Reconciliation of Governmental Funds Balance Sheet to	
Statement of Net Position .....	26
Statement of Revenues, Expenditures and Changes in	
Fund Balances - Governmental Funds .....	27
Reconciliation of the Statement of Revenues, Expenditures and Changes	
In Fund Balances of Governmental Funds to the Statement of Activities .....	28
Statement of Net Position - Proprietary Funds - Internal Service Funds.....	29
Statement of Revenues, Expenses and Changes in	
Net Position - Proprietary Funds - Internal Service Funds .....	30
Statement of Cash Flows - Proprietary Funds - Internal Service Funds .....	31
Statement of Net Position - Fiduciary Fund .....	32
Statement of Changes in Net Position - Fiduciary Fund .....	33
Notes to Basic Financial Statements .....	34
<b><i>Required Supplementary Information:</i></b>	
Schedule of Funding Progress for Other Postemployment Benefits .....	65
Reconciliation of Budgetary to Reporting Funds	
Combining Schedule of Revenues, Expenditures and	
Changes in Fund Balance - General Fund .....	66
Schedule of Revenues, Expenditures and Changes in	
Fund Balance - Budget and Actual (GAAP Basis):	
General Fund .....	67
Pension Fund .....	68
Long-term Planning Fund .....	69

**BEAVERTON SCHOOL DISTRICT**

**TABLE OF CONTENTS (Continued)**

	<b><u>Page</u></b>
<b>FINANCIAL SECTION (Continued):</b>	
<i>Other Supplementary Information:</i>	
<i>Combining and Individual Fund Financial Statements and Schedules:</i>	
<i>Major Governmental Funds:</i>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Debt Service Fund .....	73
Capital Projects Fund .....	74
Reconciliation of Budgetary to Reporting Funds	
Combining Balance Sheet - General Fund .....	77
<i>Nonmajor Governmental Funds:</i>	
Combining Balance Sheet - Nonmajor Governmental Funds .....	81
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds .....	82
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Student Body Fund .....	83
Special Purpose Fund .....	84
Categorical Fund .....	85
Grant Fund .....	86
Nutrition Services Fund .....	87
<i>Internal Service Funds:</i>	
Combining Statement of Net Position - Internal Service Funds .....	91
Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds .....	92
Combining Statement of Cash Flows - Internal Service Funds .....	93
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Printing Services Fund .....	94
Insurance Reserve Fund .....	95
Workers' Compensation Fund .....	96
<i>Fiduciary Fund:</i>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual:	
Private Purpose Trust Fund .....	99
<i>Other Financial Schedules:</i>	
Revenue Summary - All Funds .....	103
Expenditure Summaries:	
General Fund (100) .....	104
Special Revenue Funds (200) .....	105
Debt Service Fund (300) .....	106
Capital Projects Fund (400) .....	107
Internal Service Fund (600) .....	108
Fiduciary Fund (Non-GAAP Basis) (700) .....	109
Schedule of Property Tax Transactions .....	110

**BEAVERTON SCHOOL DISTRICT**

**TABLE OF CONTENTS (Continued)**

	<u>Page</u>
<b><u>FINANCIAL SECTION (Continued):</u></b>	
<i>Other Financial Schedules (Continued):</i>	
Supplemental Information as Required by the Oregon Department of Education .....	111
 <b><u>STATISTICAL SECTION:</u></b>	
Statistical Section Overview .....	113
Net Position by Component - Last Ten Fiscal Years .....	115
Expenses, Program Revenues, and Net (Expense)/Revenue - Last Ten Fiscal Years .....	116
General Revenues and Total Change in Net Position - Last Ten Fiscal Years .....	117
Fund Balances, Governmental Funds - Last Ten Fiscal Years .....	118
Governmental Funds Revenues - Last Ten Fiscal Years .....	119
Governmental Funds Expenditures and Debt Service Ratio - Last Ten Fiscal Years .....	120
Other Financing Sources and Uses and Net Change in Fund Balances, Governmental Funds - Last Ten Fiscal Years .....	121
Assessed Value and Real Market Value of Taxable Property - Last Ten Fiscal Years .....	122
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years .....	123
Principal Property Taxpayers - Current Year and Nine Years Prior .....	124
Property Tax Levies and Collections - Last Ten Fiscal Years .....	125
Outstanding Debt By Type - Last Ten Fiscal Years .....	126
Direct and Overlapping Governmental Activities Debt .....	127
Legal Debt Margin Information - Last Ten Fiscal Years .....	128
Demographic and Economic Statistics - Last Ten Calendar Years .....	129
Principal Employers for the Portland Metro Area - Current Year and Nine Years Prior.....	130
Full-Time Equivalent District Employees By Type - Last Ten Fiscal Years .....	131
Operating Statistics - Last Ten Fiscal Years .....	132
Capital Asset Information - Last Ten Fiscal Years .....	133
 <b><u>SINGLE AUDIT SECTION:</u></b>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	135
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133 .....	137
Schedule of Expenditures of Federal, State and Local Awards .....	139
Notes to Schedule of Expenditures of Federal, State and Local Awards .....	143
Schedule of Findings and Questioned Costs .....	144
 <b><u>COMPLIANCE SECTION:</u></b>	
<i>Independent Auditor's Report Required by Oregon State Regulations</i> Independent Auditor's Report Required by Oregon State Regulations .....	147



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# Introductory Section







**Beaverton School District**  
16550 S.W. Merlo Road  
Beaverton, Oregon 97006-5152  
503-591-4310 • Fax: 503-591-4307

November 4, 2014

To Members of the Board of Education and Citizens of Beaverton School District:

The Comprehensive Annual Financial Report of Beaverton School District (“District”) for the fiscal year ended June 30, 2014 is hereby submitted. State law requires that an independent audit be made of all District funds within six months following the close of the fiscal year. This report is published to fulfill the requirement for the fiscal year ended June 30, 2014, and consists of management’s representations concerning the finances of the District together with the opinions of our auditor.

This report was prepared by the District's Business Services Department. Management assumes full responsibility for the completeness and reliability of the information contained in this report. The District’s management has established and maintains a comprehensive internal control framework put in place to protect assets from loss, theft or misuse. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance the financial statements are free of any material misstatements. The internal control structure is subject to periodic evaluation by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

These financial statements are presented to compile sufficient reliable information for the preparation of the District’s financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP).

Grove, Mueller & Swank, P.C., Certified Public Accountants, have issued an unqualified (“clean”) opinion on the Beaverton School District’s financial statements for the year ended June 30, 2014. The independent auditor’s report is located at the front of the financial section of this report.

## **FINANCIAL STATEMENT PRESENTATION**

Designed to meet the needs of a broad spectrum of financial statement readers, this Comprehensive Annual Financial Report (CAFR) is divided into five major sections:

The *Introductory Section* includes this transmittal letter, the District’s organizational chart and copies of certificates awarded for Beaverton School District’s 2013 CAFR.

The *Financial Section* includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), the basic financial statements including notes to the basic financial statements, required supplementary information, and supplementary information including the combining and individual fund financial statements.

The *Statistical Section* includes selected financial and demographic information, generally presented on a multi-year basis.

The *Single Audit Section* includes reports from the independent auditor regarding compliance requirements of the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement for major federal programs.

The *Compliance Section* contains the independent auditor's report required by the Minimum Standards for Audits of Oregon Municipal Corporations.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditor.

## **PROFILE OF THE DISTRICT**

Beaverton School District, a kindergarten through twelfth grade District, was formed July 1, 1960, following a successful vote for unification of twelve elementary school districts and one high school district.

The District is a financially independent, special-purpose municipal corporation exercising financial accountability for all public education within its boundaries. As required by accounting principles generally accepted in the United States of America, all significant activities and organizations have been included in the financial statements.

The District is located predominantly in Washington County, approximately 10 miles west of Portland, Oregon, and encompasses over 57 square miles of land. It serves the residents of the City of Beaverton and various outlying towns and municipalities and is the third largest school district in Oregon.

Student enrollment in the fall of 2013 was 39,509. October 1 enrollment counts are reported to the state in November of each year, allowing time for data entry and confirmation of student records. An enrolled student is defined as a student who attends one or more schools or programs within the District. Regardless of the number of schools or programs attended, each student is counted only once.

## ENROLLMENT AND FACILITIES

<u>Grade Level</u>	<u>Number of Programs</u>	<u>Enrollment</u>
Elementary School Programs	33	17,987
Middle School Programs	20	8,870
High School Programs	11	11,262
Special Education Programs	-	1,025
Charter School Programs	2	365
Total Programs and Enrollment	66	39,509

Growing from an enrollment of 36,116 in 2004 to 39,509, the District has experienced a 9.4% growth in enrollment over the past ten years. According to a study prepared by the Population Research Center of Portland State University, the District will see continued enrollment growth, and is expected to reach an enrollment of 44,660 students by 2025.

The demographics of our school district reflect our rich cultural diversity. For example, our students speak more than 92 languages and dialects.

The Beaverton School District Board, elected by a majority of the voting electorate, is the governing body responsible for the District's policy decisions. The seven-member Board has oversight responsibility and control over all activities related to the District. The Board is accountable for all fiscal matters that significantly influence operations.

District management includes a superintendent, two deputy superintendents, four chief officers, and 105 principals, vice-principals and district administrators. The District employs 3,269 full-time equivalent personnel, including principals, vice-principals, administrators, teachers, supervisors, secretarial staff, bus drivers, maintenance personnel, cafeteria staff and other support staff.

Under Oregon State law, school districts are independent municipal corporations empowered to provide elementary and secondary educational services for the children residing within their boundaries. The District discharges this responsibility by building, operating and maintaining school facilities, developing and maintaining approved educational programs and courses of study, including career/technical educational programs, and programs for English language learners and special needs students, and providing for transportation and feeding of students in accordance with District, State and Federal programs. This report includes all funds of the District.

## ECONOMIC CONDITION

Located in northwestern Oregon, Washington County is one of the six counties that comprise the Portland-Vancouver Primary Metropolitan Statistical Area (PMSA). The six counties are Washington, Multnomah, Clackamas, Yamhill and Columbia in Oregon, and Clark in Washington. According to the Oregon State Employment Department, Multnomah and

Washington counties together have nearly one-third of the State of Oregon's population. Washington County's three largest cities are Beaverton, Hillsboro and Tigard. Because the District lies within the PMSA, economic and demographic data is not available specifically for the District. Data is generally available for Washington County and for the PMSA.

Washington County covers 727 square miles and includes eleven incorporated cities such as Beaverton, Hillsboro, Tigard and Tualatin, as well as a portion of the City of Portland. Careful land use management of residential and industrial growth has made it possible to preserve 75% of the County's agricultural and forest lands.

The area's current economic base includes electronics, manufacturing, construction, food processing, agriculture and timber. Of the approximately 36,500 employee high-tech industry jobs in Oregon, Washington County accounted for approximately 26,900 or 73.7% in the period ended June 30, 2014. Among the major electronics firms located in Washington County are Intel, Tektronix and Maxim Integrated Products.

A major manufacturing employer in the Beaverton area is Nike, an athletic footwear and apparel manufacturer. Its 176-acre world headquarters campus is located in Washington County, and according to the Beaverton Chamber of Commerce, it is Washington County's third leading employer with approximately 7,000 employees.

The Portland-Vancouver PMSA relies heavily on the manufacturing and high technology industries. According to the Oregon Employment Department, at the end of June 2014, the Portland-Vancouver PMSA unemployment rate was 6.1%, as compared to the Oregon unemployment rate of 6.3% and the nation's rate of 6.6%.

## **LONG-TERM FINANCIAL PLANNING**

The District's unrestricted general fund balance (the total of the committed, assigned and unassigned components of fund balance) at year-end was 9.2 percent of total General Fund revenues. This amount is above the policy guidelines set by Board policy for budgetary and planning purposes (a minimum 5.0 percent of total actual revenues). The reserve is maintained to absorb economic downturns, state revenue-sharing reductions and other revenue shortfalls, and will prudently be used when needed to provide stability of core programs and legally required activities.

With continued enrollment growth forecasted, subsequent to June 30, 2014, the District has issued \$680 million in general obligation bonds to support the construction of one high school, one middle school, one elementary school and land for an additional elementary school over the next eight years. As the average age of the District's buildings is in excess of 30 years, funds will also be used to rebuild and make extensive renovations to facilities throughout the District and enhance educational technology in the classroom.

## **MISSION STATEMENT AND PRIORITIES**

The District Goal is: *All students will show continuous progress toward their personal learning goals, developed in collaboration with teachers and parents, and will be prepared for post-secondary education and career success.*

The Beaverton School District Board adopted the Strategic Plan: WE recognize that reaching this goal requires work from all of us. WE want every student to graduate with many options and be prepared to:

Think: Creatively & Critically; Know: Master Content; Act: Self Direct & Collaborate; Go: Navigate Locally & Globally.

Our pillars of learning are: Excellence, Innovation, Equity and Collaboration.

## FINANCIAL INFORMATION

**Accounting Policies.** Governmental funds are used to account for the District's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available".) "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Expenditures are recorded when the liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions and certain compensated absences and claims and judgments which are recognized as expenditures because they will be liquidated with expendable financial resources.

The assets and liabilities of the agency fund are recorded on the modified accrual basis of accounting. The agency fund consists of the Private-Purpose Trust Fund.

The financial transactions for the proprietary fund type are recorded on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded at the time they are earned and expenses are recorded at the time liabilities are incurred.

The accrual and modified accrual basis of accounting as utilized by Beaverton School District are in accordance with generally accepted accounting principles.

**Budgetary Controls.** The District is required by the State of Oregon to adopt an annual budget for all funds subject to the requirements of Local Budget Law as outlined in the Oregon Revised Statutes 294.305 through 294.565, inclusive. The Oregon Local Budget Law requires the appointment of a budget committee to review and approve the budget. The budget committee consists of the seven members of the Board of Directors and seven electors of the District who are appointed by the Board of Directors. The administration proposes a budget to the budget committee, and the budget committee may modify or approve the proposed budget.

A summary of the approved budget, together with a notice of public hearing, is published in a newspaper having general circulation in the District. A public hearing is held to receive comments from the public concerning the approved budget. The Board of Directors adopts the budget, makes appropriations, and levies taxes after the public hearing and before the beginning of the year for which the budget has been prepared. After adoption, the budget may be revised through procedures specified in State statute and Board policy.



**Charter Schools.** Oregon statute provides state funding for charter schools that flows through the district for schools that local boards of education have granted a charter. The District has two charter schools, Arco Iris Spanish Immersion School and Hope Chinese Charter School, in operation during the 2013-14 fiscal year.

Arco Iris has completed its fourth year of operations. The school educates 184 full time students in grades 1-5 and has renewed its charter through 2015-16. The school reports net position of \$265,076.

Hope Chinese has completed its second year of operations. The school educates 72 full time students in grades 1-5, 48 part time students in kindergarten and completed the second year of its first three-year charter. The school reports net position of \$221,536.

## **INDEPENDENT AUDIT**

The Beaverton School District's financial statements have been audited by Grove, Mueller & Swank, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the District for the fiscal year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the District's basic financial statements for the fiscal year ended June 30, 2014, are fairly presented in all material respects in conformity with U.S. GAAP. The independent auditor's report is presented as the first component of the Financial Section of this report.

The independent audit of the District's basic financial statements includes a federally mandated "Single Audit" designed to meet the special requirements of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the District's internal control over financial reporting and on compliance and other matters, and on compliance related to the administration of federal awards. These reports are available in the Single Audit Section of this report.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Beaverton School District for its Comprehensive Annual Financial Report for the year ended June 30, 2013. This was the thirty-third consecutive year the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report complies with both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement

Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

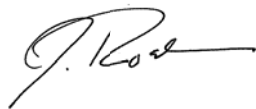
In addition, the Association of School Business Officials International (ASBO) awarded its Certificate of Excellence in Financial Reporting to Beaverton School District for its Comprehensive Annual Financial Report for the year ended June 30, 2013. The District has received this prestigious award for thirty-two consecutive years.

Receiving this Award is recognition that the District has met the highest standards of excellence in school financial reporting as adopted by ASBO. The District believes that the current Comprehensive Annual Financial Report, which will be submitted to ASBO for review, will also conform to these standards.

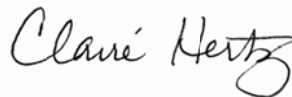
The preparation of the Comprehensive Annual Financial Report would not have been possible without the efficient and dedicated services of the entire staff of the Business Services Department. We would like to express our appreciation to all members of the department, who assisted and contributed to the preparation of this report.

We also thank the members of the School Board for their continued support and dedication to the financial operations of the School District.

Respectfully submitted,



Jeff Rose  
Superintendent



Claire Hertz  
Chief Financial Officer



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Beaverton School District  
Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

# Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

## **Beaverton School District**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2013*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading 'Terrie S. Simmons', written over a horizontal line.

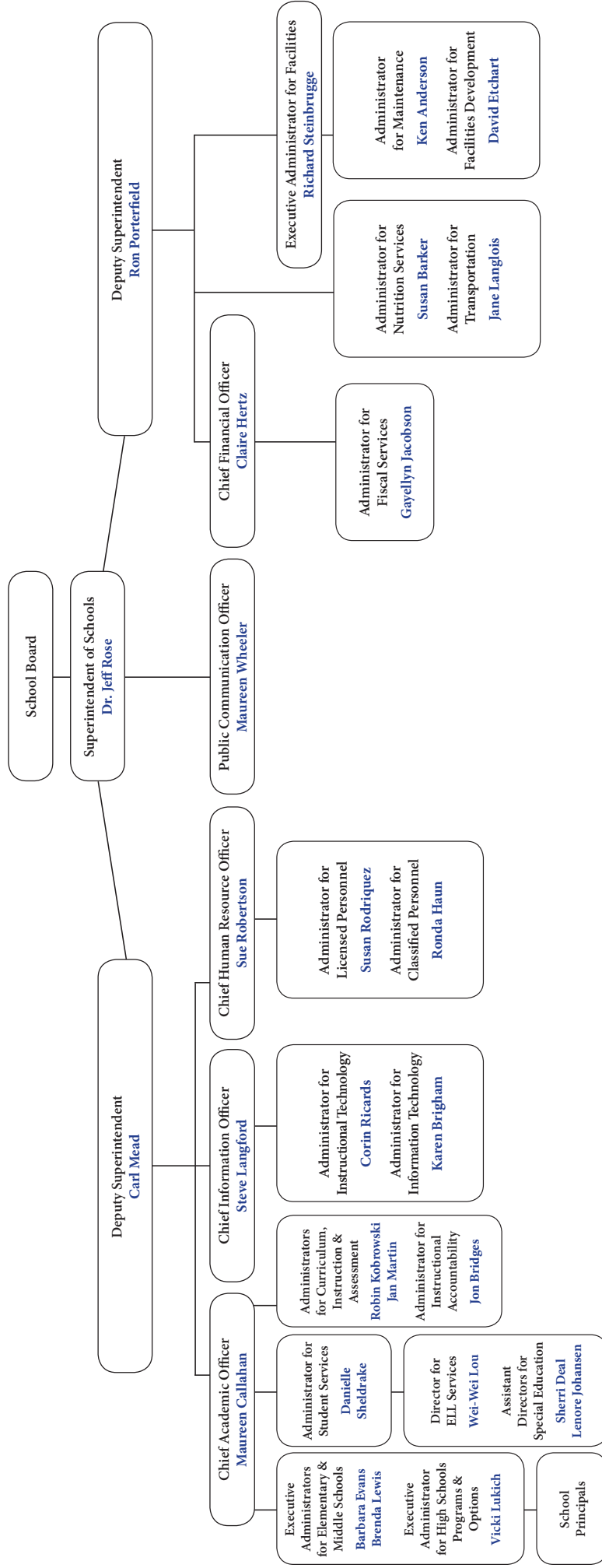
Terrie S. Simmons, RSBA, CSBO  
President

A handwritten signature in black ink, reading 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA  
Executive Director



# Organizational Chart 2013-2014



(effective July 1, 2013)

**BEAVERTON SCHOOL DISTRICT  
Appointed and Elected Officials**

Administrative Office:

16550 SW Merlo Road  
Beaverton, Oregon 97006

Jeff Rose  
Ron Porterfield  
Carl Mead

Superintendent and Clerk  
Deputy Superintendent  
Deputy Superintendent

**School Board as of June 30, 2014**

<b>Name and Title</b>	<b>Term Expires</b>
Mary VanderWeele, Chair	June 30, 2015
Jeff Hicks, Vice Chair	June 30, 2015
Donna Tyner	June 30, 2017
LeeAnn Larsen	June 30, 2017
Susan Greenberg	June 30, 2017
Linda Degman	June 30, 2015
Anne Bryan	June 30, 2017

The above Board Members receive mail at the address below:

Beaverton School District  
16550 SW Merlo Road  
Beaverton OR 97006

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# Financial Section

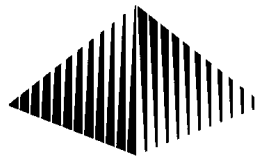






**INDEPENDENT AUDITOR'S REPORT**

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## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
475 Cottage Street NE, Suite 200, Salem, Oregon 97301  
(503) 581-7788

### ***INDEPENDENT AUDITOR'S REPORT***

School Board  
Beaverton School District  
Beaverton, Oregon

#### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Beaverton School District, Washington County, Oregon (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Beaverton School District, Washington County, Oregon as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) (pages 9 through 19), the General Fund combining schedule (page 66), the budgetary comparison information (pages 67 through 69) and the schedule of funding progress for other postemployment benefits (page 65) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required MD&A and schedule of funding progress for other postemployment benefits in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The General Fund combining schedule and budgetary comparison information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

### ***Other Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements and schedules (pages 73 through 99), other financial schedules (pages 103 through 111), and statistical section, are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, other financial schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

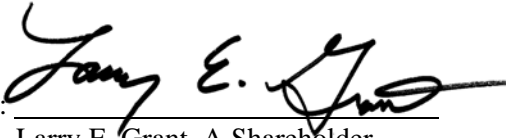
***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

***Report on Other Legal and Regulatory Requirements***

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 12, 2014, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

GROVE, MUELLER & SWANK, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

By:   
Larry E. Grant, A Shareholder  
November 12, 2014

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



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**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

As management of Beaverton School District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Transmittal Letter, which can be found on pages i - vii of this report.

**NEW ACCOUNTING STANDARDS IMPLEMENTED**

The District implemented Governmental Accounting Standards Board (GASB) Statement 65, *Items Previously Reported as Assets and Liabilities* (GASB 65) in fiscal year 2014. GASB 65 amends or supersedes the accounting and financial reporting guidance for certain items previously required to be reported as assets and liabilities. The objective is to either properly classify certain items that were resource, or recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses) or inflows of resources (revenues).

GASB Statement 70 *Accounting and Financial Reporting for Nonexchange Financial Guarantees* provides guidance on accounting for and reporting nonexchange financial guarantees. The District has no nonexchange financial guarantees.

**FINANCIAL HIGHLIGHTS**

- In the government-wide statements, the assets of the District exceeded its liabilities at June 30, 2014 by \$258.6 million (net position).
- The District's total net position increased by \$55.3 million for the fiscal year, a 27.2 percent improvement in the District's financial position as compared to the prior year.
- The District's governmental funds report combined ending fund balance of \$46.7 million, a increase of \$14.1 million from the prior year. Approximately 67.1 percent of this total amount, \$31.3 million, is unassigned, available for appropriation at the District's discretion. The remaining fund balances are either nonspendable, restricted or committed: \$5.5 million for use on capital projects, \$1.4 million, for debt service and the balance of \$8.5 for other purposes.
- At the end of the current fiscal year, the unrestricted fund balance (the total of the committed and unassigned components of fund balance) for the General Fund was \$32.1 million, or about 9.2 percent of total General Fund revenue.
- Total cost of all the District's programs was \$389.4 million for the fiscal year, an increase of \$3.7 million (0.9 percent) from the prior year. Interest on long-term debt was \$16.2 million of this total cost, a decrease of \$19.6 million from the prior year.
- The District's total outstanding long-term debt decreased by \$48.3 million (9.9 percent) during the 2013-14 fiscal year. Debt decreased by debt service payments and amortization of premiums while no new debt was issued during the year. In addition to long-term debt, the District's total capital leases payable decreased by \$0.5 million (47.4 percent).

**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

*The Statement of Net Position.* The *Statement of Net Position* focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of what the District owns (assets), what it owes (liabilities), and the net difference (net position). Net position may be further separated into amounts restricted for specific purposes and unrestricted amounts. Overtime, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

*The Statement of Activities.* The *Statement of Activities* presents information showing how the net position of the District changed over the year by tracking revenues, expenses and other transactions that increase or reduce net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In the government-wide financial statements, the District's activities are shown in one category as *governmental activities*. All of the District's basic functions are shown here, such as regular and special education, child nutrition services, transportation, and administration. These activities are primarily financed through property taxes, Oregon's State School Fund and other intergovernmental revenues.

The government-wide financial statements can be found on pages 23 and 24 of this report.

**Fund financial statements.** The *fund financial statements* provide more detailed information about the District's funds, focusing on its most significant or "major" funds - not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Beaverton School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. To be considered a major fund, the fund must meet criteria established by generally accepted accounting principles.

**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

*Governmental funds.* The *governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statements of Net Position and Activities.

The District maintains eight individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General, Debt Service, and Capital Projects Funds, all of which are considered to be major funds. Data from the two additional General Fund type funds is included as a separate presentation, which can be found in the appropriate sections following the notes to the basic financial statements. Data from five of these governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided as Other Supplementary Information.

Additionally, the District adopts an annual appropriated budget for all funds as required by Oregon budget law. Budgetary comparison statements/schedules have been provided to demonstrate compliance elsewhere in this report.

The basic governmental fund financial statements can be found on pages 25 - 28.

*Proprietary funds.* The District maintains one proprietary fund type (internal service fund). The internal service fund is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses its internal service funds to account for insurance claims and premiums and for its printing services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The District maintains three individual internal service funds. These funds are combined into a single, aggregated presentation in the basic financial statements. Individual fund data for the internal service funds is provided as Other Supplementary Information in this report.

The basic proprietary fund financial statements are provided on pages 29 - 31 of this report.

**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is the same as that used for proprietary funds.

The District maintains one fiduciary fund. The fund is used to report resources held in trust for students to use for scholarships.

The basic fiduciary fund financial statements are located on pages 32 - 33 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 34 - 61 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information (RSI)* including budget to actual presentations for required major funds. This information can be found on pages 65 - 69 of this report. *Other Supplementary Information* presented on pages 73 - 111, includes combining statements for the nonmajor governmental funds, budgetary comparison for nonmajor and other funds, and other financial schedules.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$258.6 million at June 30, 2014.

**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

<b>Beaverton School District Net Position (in thousands)</b>			
	<u>Governmental Activities</u>		<b>Increase (Decrease)</b>
	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<b>from Fiscal 2013</b>
Capital assets	\$ 528,667	\$ 529,310	\$ (643)
Current and other assets	229,430	215,441	13,989
Total assets	<u>758,097</u>	<u>744,751</u>	<u>13,346</u>
Long-term liabilities	455,212	502,087	(46,875)
Other liabilities	44,317	39,436	4,881
Total liabilities	<u>499,529</u>	<u>541,523</u>	<u>(41,994)</u>
Net position:			
Net investment in capital assets	251,818	218,858	32,960
Restricted	5,266	5,323	(57)
Unrestricted	<u>1,484</u>	<u>(20,953)</u>	<u>22,437</u>
Total net position as restated	<u>\$ 258,568</u>	<u>\$ 203,228</u>	<u>\$ 55,340</u>

Capital assets, which consist of the District's land, buildings, building improvements, construction in progress, vehicles, and equipment, represent 69.7 percent of total position.

The remaining assets consist mainly of cash and investments, prepaid PERS unfunded actuarial liability, grants, property taxes receivable and inventories.

The District's largest liability (91.1 percent) is for the repayment of long-term debt and obligations including post employment benefit obligations, all general obligation and limited tax pension obligation bonds. Other liabilities, representing about 8.9 percent of the District's total liabilities, consist principally of payables on accounts and salaries and benefits.

Most of the District's net position (\$251.8 million) reflect its investment in capital assets (e.g. land, buildings, vehicles and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students and other District residents; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

The District's restricted net position (\$5.3 million) reflects resources that are subject to external restrictions on how they may be used. The remaining balance in net position (\$1.5 million) is unrestricted.

**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

During the current fiscal year, the District's overall financial position improved as indicated by an increase of \$55.3 million in net position. Unrestricted net position increased by \$22.4 million. At the same time, the District's investment in capital assets, net of related debt, increased by \$33.0 million due principally to payment of related debt during the year.

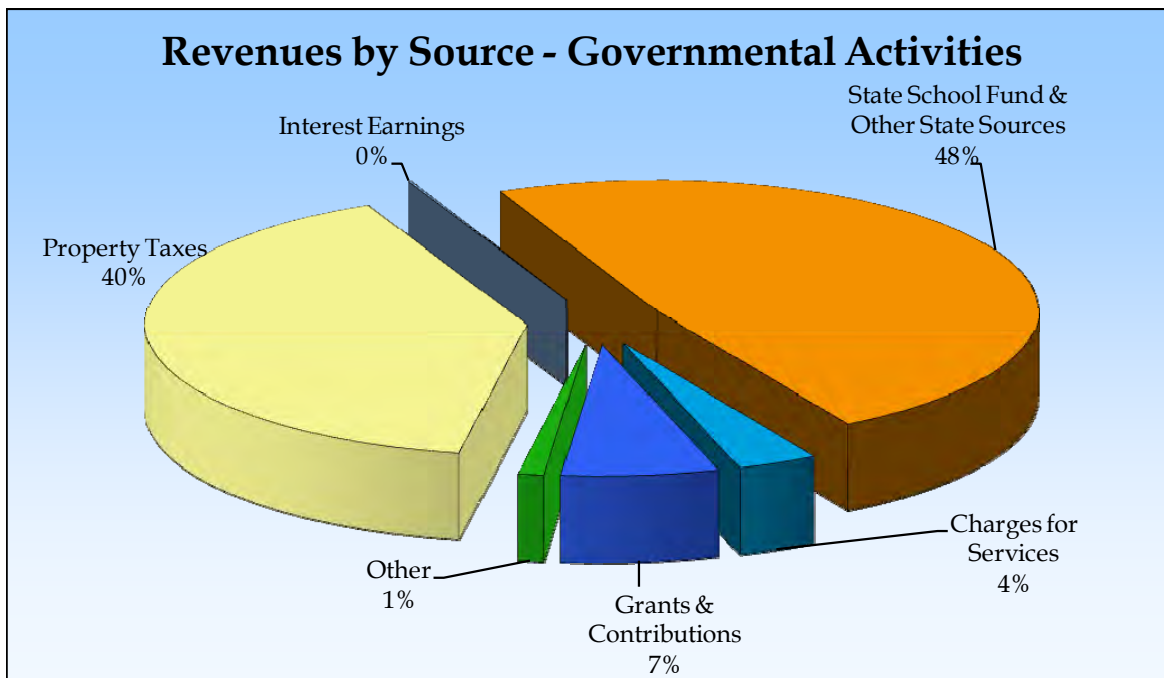
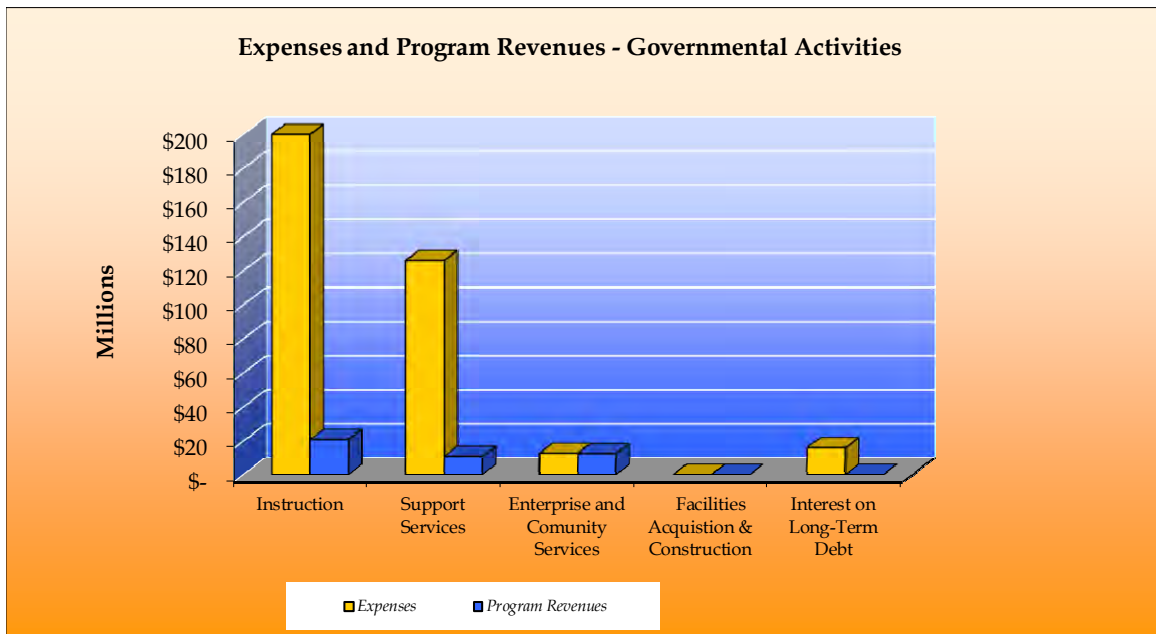
**Governmental activities.** During the 2013-14 fiscal year, the District's net position increased by \$55.3 million. The key elements in this change are the following:

<b>Beaverton School District Changes in Net Position (in thousands) Year Ended June 30,</b>			
	<u>Governmental Activities</u>		<u>Increase</u>
	<u>2014</u>	<u>2013</u>	<u>(Decrease)</u>
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 15,141	\$ 15,218	\$ (77)
Operating grants and contributions	29,592	26,431	3,161
General revenues:			
Property taxes	179,376	153,227	26,149
Construction excise tax	2,407	1,864	543
State school fund	199,569	172,476	27,093
Other state and local sources	15,648	12,145	3,503
Earnings on investments	518	503	15
Miscellaneous	2,528	3,244	(716)
Total revenues	<u>444,780</u>	<u>385,108</u>	<u>59,672</u>
<b>Expenses:</b>			
Instruction	234,356	217,232	17,124
Support services	126,018	119,899	6,119
Enterprise and community services	12,902	12,930	(28)
Interest on long-term debt	16,164	35,720	(19,556)
Total expenses	<u>389,440</u>	<u>385,781</u>	<u>3,659</u>
Increase in net position	55,340	(673)	56,013
Net position - July 1 as restated	203,228	203,901	(673)
Net position - June 30	<u>\$ 258,568</u>	<u>\$ 203,228</u>	<u>\$ 55,340</u>

- Program revenues increased by \$3.1 million in 2013-14 mainly due to an increase in operating grants and contributions.

**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

- General revenues increased by \$56.6 million in 2013-14 due to increases from local option levy tax and state school fund.
- Instruction expenses increased by \$17.1 million in 2013-14 through additional staffing to reduce class size.
- Interest on long-term debt decreased by \$20.0 million (54.7 percent) in 2013-14 due to the amortization of the premium on refunded bonds in 2012-13.





**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the District's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

At June 30, 2014, the District's governmental funds reported combined ending fund balances of \$46.7 million, an increase of \$14.1 million in comparison with the prior year. Approximately \$15.4 million (32.9 percent) of the ending fund balances constitutes *nonspendable, restricted or committed balances*. Restricted or committed ending fund balances are constrained to specific purposes by bondholders or governing body, and \$31.3 million (67.1 percent) of the ending fund balances are unassigned and available for spending at the District's discretion. Of the fund balance, \$5.5 million or 11.8 percent is designated for capital projects, as authorized by voters and the board, and an additional \$1.4 million (3.1 percent) is dedicated for debt service obligations.

*General Fund.* The General Fund is the chief operating fund of the District. As of June 30, 2014, committed fund balance was \$0.8 million to fund early retirement payments and long term planning needs. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund revenues. At the end of the fiscal year, the General Fund balance was 9.2 percent of General Fund Revenues. The fund balance increased by \$23.6 million due to increased revenue, underspending budgeted expenditures and planned restoration of reserves to meet the board policy fund balance requirement.

*Debt Service Fund.* The Debt Service Fund has a total fund balance of \$1.4 million, all of which is set aside for the payment of debt service. The net decrease in fund balance during the current year was \$0.5 million.

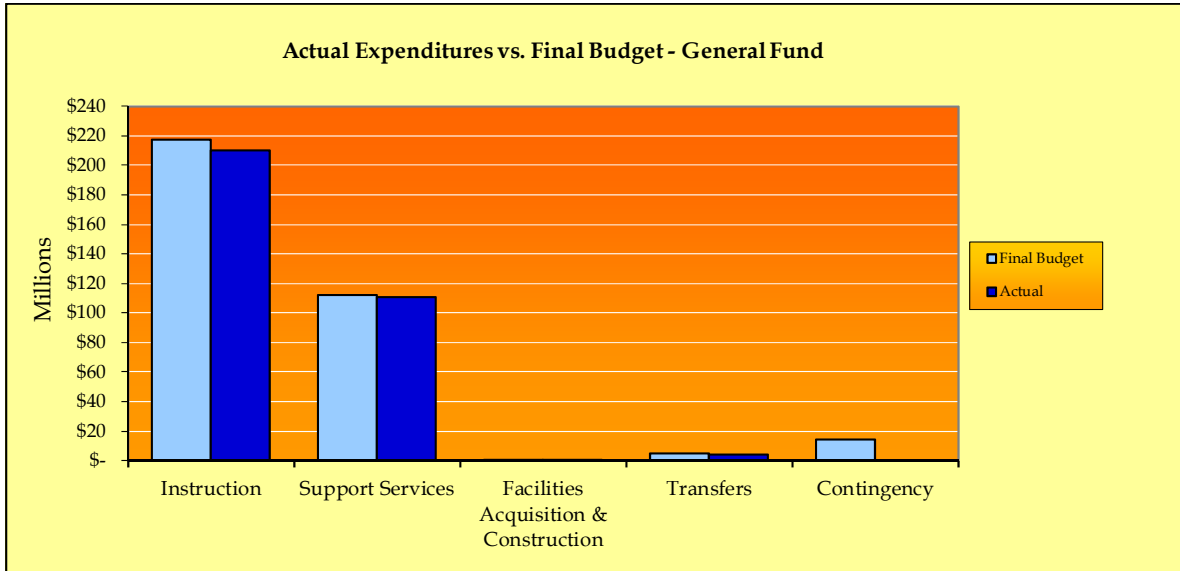
*Capital Projects Fund.* The Capital Projects Fund has a total fund balance of \$5.5 million, all of which is dedicated for ongoing capital projects. Capital expenditures reflect costs incurred as part of the Long Range Facilities Plan. All of the Capital Projects Fund balance is restricted or committed for capital improvements and repairs.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

*Original budget compared to final budget.* During the year there were two appropriations transfer amendments made to increase the original estimated revenues and appropriations due to higher revenues received.

**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

*Final budget compared to actual results.* The most significant difference between estimated revenue and actual revenue was State and Local Sources. Estimated revenues were \$205.3 million and actual revenue was \$214.5 million with a difference of \$9.2 million. The increase of the revenue source was attributed to a prior year adjustment in state revenue.



**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** The District’s investment in capital assets includes land, buildings and improvements, vehicles and equipment, and construction in progress. As of June 30, 2014, the District had approximately \$528.7 million invested in capital assets, net of depreciation, as shown in the following table:

<b>Beaverton School District Accumulated Capital Assets (net of accumulated depreciation) (in thousands)</b>			
	June 30, 2014	June 30, 2013	Increase (Decrease)
Land	\$ 62,200	\$ 50,451	\$ 11,749
Buildings and improvements	450,400	458,048	(7,648)
Vehicles and equipment	15,062	16,538	(1,476)
Construction in progress	1,005	4,273	(3,268)
Total capital assets, net of related accumulated depreciation	<u>\$ 528,667</u>	<u>\$ 529,310</u>	<u>\$ (643)</u>

**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

During the year, the District's net investment in capital assets decreased, because depreciation exceeded current-year additions. Additional information regarding the District's capital assets can be found in Note 6 on page 47 of this report.

**Long-term debt.** At the end of the current fiscal year, the District had total long-term debt outstanding of \$441.2 million, of the total \$455.2 million outstanding debt. The debt consisted of general obligation, full faith and credit obligation, pension bond debt, and unamortized premium.

State statutes limit the amount of general obligation debt a school district may issue to 7.95 percent of its total assessed value. The current debt limit is \$2.5 billion, which is significantly in excess of the District's outstanding general obligation debt.

<b>Beaverton School District Outstanding Debt (in thousands)</b>			
	<b>June 30, 2014</b>	<b>June 30, 2013</b>	<b>Increase (Decrease)</b>
General obligation bonds	\$ 233,560	\$ 272,895	\$ (39,335)
Pension obligation bonds	163,375	168,195	(4,820)
Full faith and credit obligation bonds	19,480	20,175	(695)
Unamortized premium	24,782	28,192	(3,410)
Other postemployment benefit obligation (OPEB)	13,432	11,522	1,910
Capital leases	583	1,108	(525)
	<b>\$ 455,212</b>	<b>\$ 502,087</b>	<b>\$ (46,875)</b>

The District maintains an "AA-" rating from Standard & Poor's and an "Aa2" rating from Moody's for general obligation debt.

Additional information on the District's long-term debt can be found in Notes 9, 10 & 13 on pages 48 - 58 of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Resources supporting District General Fund operations primarily reflect local and state revenues, with additional income representing federal, county and other sources. The largest segment, which includes state funding and local property taxes, is determined by the State School Fund formula. The majority of funding provided by the State to the District is based on the District's average daily membership of students. Total student enrollment in 2013-14

**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

increased from 2012-13. Slow continual growth trends are projected to continue in future years.

The Oregon State Legislature will meet in January - June 2015 to determine the state school funding level for the 2015-17 biennium. The state economic forecast reveals a slow, steady recovery and slow growth in State School funding for the District in the next few biennia. The District will implement a full day kindergarten program, and the Legislature is expected to increase funding to support the statewide implementation.

The 2014-15 proposed budget was developed as the nation and state emerged from the Great Recession. The 2014-15 budget was based on a K-12 state funding level of \$6.65 billion, which is about 14% higher than the legislatively approved 2011-13 K-12 funding level. Local voters approved a local option levy in 2013-14 to restore 150 teaching positions reduced in previous years. The increased resource will continue to support additional classroom teachers in an effort to lower class sizes.

In June 2014, the board adopted the District budget for the fiscal year 2014-15. The adopted budget for the General Fund for the year ending June 30, 2015 is \$392.5 million.

The School Board has set policy that the District will target 5% of annual operating revenues as ending fund balance. The District will also budget an annual operating contingency equal to 5% of budgeted revenues. The 2014-15 beginning fund balance meets board policy requirements.

**REQUESTS FOR INFORMATION**

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Finance Manager at 16550 SW Merlo Road, Beaverton, Oregon 97003.

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## **BASIC FINANCIAL STATEMENTS**

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**BEAVERTON SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2014**

**ASSETS:**

Cash and investments	\$ 75,874,147
Receivables	22,636,081
Inventories	391,594
Prepaid PERS unfunded actuarial liability	130,527,762
Capital assets not being depreciated:	
Land	62,199,704
Construction in progress	1,004,999
Capital assets, net of accumulated depreciation:	
Buildings and improvements	450,400,491
Vehicles and equipment	15,062,168
<b>TOTAL ASSETS</b>	<u>758,096,946</u>

**LIABILITIES:**

Accounts payable	5,700,912
Accrued salaries and benefits	33,407,888
Accrued interest payable	634,686
Unearned revenue	2,392,376
Accrued claims losses	1,861,000
Other accrued liabilities	320,368
Capital leases payable - due within one year	385,765
General obligation and full faith and credit obligation bonds - due within one year	27,780,135
Bonds payable - limited tax pension obligation bonds - due within one year	5,540,000
Other postemployment benefit obligation	13,431,643
Capital leases payable - due in more than one year	197,350
General obligation and full faith and credit obligation bonds - due in more than one year	250,041,657
Bonds payable - limited tax pension obligation bonds - due in more than one year	157,835,000
<b>TOTAL LIABILITIES</b>	<u>499,528,780</u>

**NET POSITION:**

Net investment in capital assets	251,817,765
Restricted for debt service	2,322,704
Restricted for student body	2,943,385
Unrestricted	1,484,312
<b>TOTAL NET POSITION</b>	<u>\$ 258,568,166</u>

The notes to financial statements are an integral part of this statement.



**BEAVERTON SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2014**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				
Regular programs	\$ 171,453,815	\$ 10,098,793	\$ 1,604,568	\$ (159,750,454)
Special programs	62,155,870	-	8,966,158	(53,189,712)
Summer school programs	746,800	-	334,020	(412,780)
Student support services	25,864,345	-	2,091,476	(23,772,869)
Instructional staff support	10,435,278	-	2,631,740	(7,803,538)
General administration support	1,560,440	-	33,625	(1,526,815)
School administration	24,474,041	-	28,732	(24,445,309)
Business support services	46,057,995	904,645	5,279,906	(39,873,444)
Central activities support	16,829,201	-	72,571	(16,756,630)
Supplemental retirement program	796,395	-	-	(796,395)
Nutrition services	12,763,646	4,137,738	8,497,178	(128,730)
Community services	138,592	-	52,489	(86,103)
Interest on long-term debt	16,163,540	-	-	(16,163,540)
Total governmental activities	<u>\$ 389,439,958</u>	<u>\$ 15,141,176</u>	<u>\$ 29,592,463</u>	(344,706,319)
General revenues:				
Property taxes levied for general purposes				110,583,679
Local option taxes levied for general purposes				19,060,210
Property taxes levied for debt service				49,732,072
Construction excise tax				2,407,510
State school fund - general support				199,569,316
Common school fund				3,537,242
Unrestricted state and local sources				12,110,552
Earnings on investments				517,574
Gain on sale of capital asset				767,803
Miscellaneous				1,760,973
Total general revenues				<u>400,046,931</u>
<b>CHANGE IN NET POSITION</b>				55,340,612
Net position - July 1, 2013 as originally reported				205,992,246
Restatement (see Note 19)				(2,764,692)
Net position - July 1, 2013 as restated				<u>203,227,554</u>
Net position - June 30, 2014				<u>\$ 258,568,166</u>

The notes to financial statements are an integral part of this statement.

**BEAVERTON SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014**

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
<b>ASSETS</b>					
Equity in pooled cash and investments	\$ 57,986,796	\$ 87,166	\$ 2,432,653	\$ 9,688,891	\$ 70,195,506
Cash with fiscal agent	2,033	30,965	56,777	-	89,775
Receivables	6,410,147	134,548	4,287,038	3,865,350	14,697,083
Property taxes receivable	5,553,701	2,329,628	-	-	7,883,329
Due from other funds	804,206	999,553	-	-	1,803,759
Inventories	-	-	-	391,594	391,594
<b>TOTAL ASSETS</b>	<b>\$ 70,756,883</b>	<b>\$ 3,581,860</b>	<b>\$ 6,776,468</b>	<b>\$ 13,945,835</b>	<b>\$ 95,061,046</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 3,500,441	\$ -	\$ 1,249,653	\$ 854,743	\$ 5,604,837
Accrued salaries and benefits	28,873,670	-	5,994	1,905,020	30,784,684
Due to other funds	1,125,988	-	133	905,024	2,031,145
Unearned revenue	33,373	-	-	2,359,003	2,392,376
Other liabilities	16,250	-	-	304,118	320,368
<b>TOTAL LIABILITIES</b>	<b>33,549,722</b>	<b>-</b>	<b>1,255,780</b>	<b>6,327,908</b>	<b>41,133,410</b>
Deferred Inflows of Resources:					
Property tax revenue	5,073,000	2,142,236	-	-	7,215,236
Fund Balances:					
Nonspendable					
Inventories	-	-	-	391,594	391,594
Restricted					
Debt Service	-	180,468	-	-	180,468
Capital Projects	-	-	1,555,310	-	1,555,310
Student Body	-	-	-	2,943,385	2,943,385
Committed					
Debt Service	-	1,259,156	-	-	1,259,156
Capital Projects	-	-	3,965,378	-	3,965,378
Special Purpose	-	-	-	588,877	588,877
Categorical	-	-	-	707,232	707,232
Nutrition Services	-	-	-	2,986,839	2,986,839
Pension	291,265	-	-	-	291,265
Long-term Planning	498,557	-	-	-	498,557
Unassigned	31,344,339	-	-	-	31,344,339
<b>TOTAL FUND BALANCES</b>	<b>32,134,161</b>	<b>1,439,624</b>	<b>5,520,688</b>	<b>7,617,927</b>	<b>46,712,400</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 70,756,883</b>	<b>\$ 3,581,860</b>	<b>\$ 6,776,468</b>	<b>\$ 13,945,835</b>	<b>\$ 95,061,046</b>

The notes to financial statements are an integral part of this statement.

**BEAVERTON SCHOOL DISTRICT  
RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET POSITION  
JUNE 30, 2014**

<b>TOTAL FUND BALANCES</b>		\$ 46,712,400
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	\$ 751,576,165	
Accumulated depreciation	<u>(222,908,803)</u>	528,667,362
A portion of the District's revenues are collected after year-end, but are not available soon enough to pay for the current year's operations, and therefore are not reported in the governmental funds.		7,215,236
Internal service funds are used by the District to charge the costs of printing services and insurance premiums and claims to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		3,904,934
Compensated absences are reported when earned as a liability in the Statement of Net Position while in the governmental funds only the portion that requires the use of current financial resources is reported as a liability.		(2,613,292)
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt and capital lease is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:		
Accrued interest payable	(634,686)	
Bonds payable	(441,196,792)	
Capital leases payable	<u>(583,115)</u>	(442,414,593)
PERS Unfunded Actuarial Liability (UAL) was prepaid in 2004-05 and recorded as an expenditure in the governmental fund financial statements. The prepaid asset will be amortized on a straight-line method over the life of the issued bonds.		130,527,762
The liability for other postemployment benefits obligation due at June 30, 2014 is not recorded in the governmental funds, but it is accrued as an expense and a liability in the government-wide statements.		<u>(13,431,643)</u>
<b>TOTAL NET POSITION</b>		<u><u>\$ 258,568,166</u></u>

The notes to financial statements are an integral part of this statement.

**BEAVERTON SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014**

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
<b>REVENUES:</b>					
Property taxes	\$ 109,949,739	\$ 49,584,859	\$ -	\$ -	\$ 159,534,598
Local option levy	19,060,210	-	-	-	19,060,210
Construction excise tax	-	-	2,407,510	-	2,407,510
Federal sources	-	-	-	22,879,196	22,879,196
State and local sources	214,446,530	-	-	770,580	215,217,110
Charges for services	3,669,128	-	-	10,790,145	14,459,273
Rentals	649,200	-	29,509	3,194	681,903
Investment earnings	339,192	86,802	45,505	21,901	493,400
Contributions and donations	3,748	-	4,895,658	1,813,861	6,713,267
Recovery of prior years' expenditures	27,547	-	121,439	-	148,986
Services to other funds	-	12,594,515	-	-	12,594,515
Other	983,462	-	-	292,806	1,276,268
<b>TOTAL REVENUES</b>	<b>349,128,756</b>	<b>62,266,176</b>	<b>7,499,621</b>	<b>36,571,683</b>	<b>455,466,236</b>
<b>EXPENDITURES:</b>					
Current:					
Instruction	210,118,820	-	-	17,414,084	227,532,904
Support services	112,202,961	-	-	5,979,223	118,182,184
Enterprise and community services	-	-	-	12,714,904	12,714,904
Facilities acquisition and construction	22,431	-	15,923,803	662,563	16,608,797
Debt service:					
Principal	-	45,375,306	-	-	45,375,306
Interest	-	19,620,481	-	-	19,620,481
<b>TOTAL EXPENDITURES</b>	<b>322,344,212</b>	<b>64,995,787</b>	<b>15,923,803</b>	<b>36,770,774</b>	<b>440,034,576</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>26,784,544</b>	<b>(2,729,611)</b>	<b>(8,424,182)</b>	<b>(199,091)</b>	<b>15,431,660</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Sale of or compensation for loss of capital assets	-	-	767,803	-	767,803
Transfers in	1,356,594	2,185,926	-	39,300	3,581,820
Transfers out	(4,527,042)	-	(1,101,713)	(39,300)	(5,668,055)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(3,170,448)</b>	<b>2,185,926</b>	<b>(333,910)</b>	<b>-</b>	<b>(1,318,432)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>23,614,096</b>	<b>(543,685)</b>	<b>(8,758,092)</b>	<b>(199,091)</b>	<b>14,113,228</b>
<b>FUND BALANCES, July 1, 2013</b>	<b>8,520,065</b>	<b>1,983,309</b>	<b>14,278,780</b>	<b>7,817,018</b>	<b>32,599,172</b>
<b>FUND BALANCES, June 30, 2014</b>	<b>\$ 32,134,161</b>	<b>\$ 1,439,624</b>	<b>\$ 5,520,688</b>	<b>\$ 7,617,927</b>	<b>\$ 46,712,400</b>

The notes to financial statements are an integral part of this statement.

**BEAVERTON SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2014**

**NET CHANGE IN FUND BALANCES** \$ 14,113,228

*Amounts reported for governmental activities in the Statement of Activities are different because:*

Governmental funds report capital outlay as expenditures. In the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:

Net change in capital assets	\$ 15,481,603	
Less net change in accumulated depreciation	(16,124,589)	(642,986)

Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. This is the amount by which repayments exceeded proceeds:

Debt principal repaid	44,850,000	
Amortization expense	3,410,272	48,260,272

The PERS UAL was prepaid in 2004-05 and recorded as an expenditure in the governmental financial statements. The prepaid asset is being amortized over the life of the pension obligation bonds. (7,192,706)

In the Statement of Activities, interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expenditure when due. 44,668

Certain revenues that do not meet the measurable and available criteria are not recognized in the current year in the governmental funds. In the Statement of Activities, they are recognized as revenue when earned. 781,153

Internal service funds are used by the District to charge the costs of insurance premiums and claims to the individual funds. The net income is reported with governmental activities. 1,526,481

Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities compensated absences are recognized as an expense when earned. (166,984)

Capital lease proceeds are recorded as an other financing source in governmental funds. This debt, however, increases liabilities in the Statement of Net Position.

Debt principal repaid	525,306	
Accrued interest	2,001	527,307

In the Statement of Activities, contributions for other postemployment benefits less than the actuarially determined contribution amount increase the other postemployment benefit obligation. In the governmental funds the entire contribution is recognized as an expenditure. This is the amount by which the obligation increased. (1,909,821)

**CHANGE IN NET POSITION** \$ 55,340,612

The notes to financial statements are an integral part of this statement.

**BEAVERTON SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS  
JUNE 30, 2014**

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 5,588,866
Receivables	55,669
Due from other funds	<u>227,897</u>

<b>TOTAL ASSETS</b>	<u>5,872,432</u>
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**LIABILITIES**

Current liabilities:

Accounts payable	96,075
Accrued claims losses	1,861,000
Accrued salaries and benefits	9,912
Due to other funds	<u>511</u>

<b>TOTAL CURRENT LIABILITIES</b>	<u>1,967,498</u>
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**NET POSITION**

Unrestricted	<u>3,904,934</u>
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<b>TOTAL NET POSITION</b>	<u><u>\$ 3,904,934</u></u>
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The notes to financial statements are an integral part of this statement.

**BEAVERTON SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2014**

<b>OPERATING REVENUES:</b>	
Charges for services	\$ 3,119,016
Recovery of prior years' expenditures	264,207
Other	<u>71,512</u>
<b>TOTAL OPERATING REVENUES</b>	<u>3,454,735</u>
<b>OPERATING EXPENSES:</b>	
Losses and claims	1,019,030
Insurance premiums and assessments	1,804,417
Salaries and benefits	758,288
Services, supplies and materials	<u>456,928</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>4,038,663</u>
<b>OPERATING LOSS</b>	(583,928)
<b>NONOPERATING REVENUE:</b>	
Investment earnings	<u>24,174</u>
<b>LOSS BEFORE TRANSFERS</b>	(559,754)
Transfers in	2,235,000
Transfers out	<u>(148,765)</u>
<b>TOTAL TRANSFERS</b>	<u>2,086,235</u>
<b>CHANGE IN NET POSITION</b>	1,526,481
<b>NET POSITION, July 1, 2013</b>	<u>2,378,453</u>
<b>NET POSITION, June 30, 2014</b>	<u><u>\$ 3,904,934</u></u>

The notes to financial statements are an integral part of this statement.

**BEAVERTON SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2014**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Received from recovery of prior years' expenditures	\$ 264,207
Received from interfund services provided	3,114,610
Paid for goods and services	(2,253,574)
Paid to claimants	(1,386,101)
Paid to employees	(757,137)
	<hr/>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	(1,017,995)
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Transfer from other funds	2,235,000
Transfer to other funds	(148,765)
	<hr/>
<b>NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES</b>	2,086,235
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest received	24,174
	<hr/>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,092,414
<b>CASH AND CASH EQUIVALENTS, JULY 1, 2013</b>	<hr/> 4,496,452
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2014</b>	<hr/> <hr/> \$ 5,588,866
 <b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:</b>	
Operating loss	\$ (583,928)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Changes in assets and liabilities:	
Receivables	(52,869)
Due from other funds	(23,149)
Accounts payable	7,771
Due to other funds	100
Accrued salaries and benefits	1,151
Accrued claims losses	(367,071)
	<hr/>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<hr/> <hr/> \$ (1,017,995)

The notes to financial statements are an integral part of this statement.



**BEAVERTON SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2014**

	Private Purpose Trust Fund
<b>ASSETS</b>	
Equity in pooled cash and investments	\$ 264,362
<b>TOTAL ASSETS</b>	<u>264,362</u>
<b>LIABILITIES</b>	
Scholarships payable	<u>53,000</u>
<b>TOTAL LIABILITIES</b>	<u>53,000</u>
<b>NET POSITION</b>	
Held in trust for:	
Scholarships	<u>211,362</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 211,362</u></u>

The notes to financial statements are an integral part of this statement.

**BEAVERTON SCHOOL DISTRICT  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUND  
YEAR ENDED JUNE 30, 2014**

	Private Purpose Trust Fund
<b>ADDITIONS:</b>	
Contributions	\$ 53,166
Investment earnings	1,011
	<hr/>
Total additions	54,177
	<hr/>
<b>DEDUCTIONS:</b>	
Scholarships	70,600
	<hr/>
<b>CHANGE IN NET POSITION</b>	(16,423)
<b>NET POSITION, July 1, 2013</b>	227,785
	<hr/>
<b>NET POSITION, June 30, 2014</b>	\$ 211,362
	<hr/> <hr/>

The notes to financial statements are an integral part of this statement.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

Beaverton School District (the District), a consolidation of several districts, was organized under provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is governed by a separately elected seven-member Board which approves the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental agencies and special service districts, which provide service within the District's boundaries. However, the District is not financially accountable for any of these entities, and therefore, none of them are considered component units or included in these basic financial statements.

The District has granted charter to two public charter schools, Arco Iris Spanish Immersion Charter School and Hope Chinese Charter School. These public charter schools are legally separate, tax-exempt organizations governed by their own board of directors, and their financial statements may be obtained by contacting their administrative offices.

**Basis of Presentation**

**Government-wide Financial Statements**

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District, except fiduciary activities. Eliminations have been made to minimize the double counting of internal activities, except that interfund services provided and used, are not eliminated in the process of consolidation. Governmental activities are financed primarily through property taxes, intergovernmental revenues, and charges for services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions or programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities. Program revenues include: (1) charges to students or others for tuition, fees, rentals, material, supplies or services provided, (2) operating grants and contributions and (3) capital grants and contributions. Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues. Certain functional expenditures contain an element of indirect cost.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Net position is reported as restricted when constraints placed on net position use are either

externally restricted, imposed by creditors (such as through grantors, contributors or laws) or through constitutional provisions or enabling resolutions.

### **Fund Financial Statements**

The fund financial statements provide information about the District's funds including those of a fiduciary nature. Separate statements for each fund category (governmental, proprietary and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

The District reports the following major governmental funds:

General Fund - is the District's primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund. This includes the Pension sub-fund to account for the accumulation of resources to be used for payments to employees who receive supplemental early retirement stipends and post-employment health care benefits and the Long-term Planning sub-fund to account for funds set aside for a specific purpose carrying over one year.

Debt Service Fund - provides for the payment of principal and interest on long-term general obligation debt, full faith and credit obligation debt, and pension obligation debt of governmental funds. Principal revenue sources are property taxes, construction excise tax, general fund transfer and charges to other funds.

Capital Projects Fund - accounts for activities related to the acquisition, construction, and equipping of facilities. Principal revenue sources are proceeds from the sale of bonds and interest earnings.

Additionally, the District reports the following fund types:

Special Revenue Funds account for revenue sources that are legally restricted to expenditures for specific purposes such as federal and state grants, classroom supplies and equipment, capital improvements, the receipts, disbursements and cash balances of the various schools' student body activity funds, individual school activity programs and revenues and expenditures for the food dispensing programs.

Internal Service Funds account for insurance services provided to other departments of the District on a cost-reimbursement basis.

The Private-Purpose Trust Fund is used to account for scholarship resources held by the District in a fiduciary capacity for use by students. Disbursements from this fund are made in accordance with the trust and donor agreements.

### **Measurement Focus and Basis of Accounting**

Government-wide, internal service, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2014*

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include state school fund support, property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net positions available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and accrued vacation which are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are charges for insurance services. Operating expenses for internal service funds include the cost of materials and supplies, insurance premiums, losses and claims, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Cash, Cash Equivalents and Investments**

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less. Short-term investments are stated at cost, which approximates fair value.

The District's investments consist of corporate securities, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The District's investments are reported at fair value. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any funds. The LGIP is commingled with the

State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

### **Property Taxes Receivable**

Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are recorded on the Statement of Net Position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. All property taxes receivable are due from property owners within the District.

### **Accounts and Other Receivables**

Accounts and other receivables are comprised primarily of State school support, claims for reimbursement of costs under various federal and state grants, and investment interest. Amounts are periodically reviewed for collectability. At June 30, 2014, no allowance for doubtful accounts is considered necessary.

### **Grants**

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Grant monies received prior to the occurrence of qualifying expenditures are recorded as unearned revenue.

### **Inventories**

Inventories consist of supplies held for sale. Inventories are charged as expenditures when consumed and are stated at cost using the first-in, first-out (FIFO) method. A portion of the inventory consists of donated United States Department of Agriculture (USDA) commodities. Commodities are recorded as expenditures when consumed and are stated at their fair market value based on guidelines provided by the USDA. Commodities on hand at year-end are recorded as unearned revenue.

### **Pension Assets**

The District also reports a PERS asset which represents the District's unamortized balance of the prepaid unfunded actuarial liability at June 30, 2014. The pension asset is equal to payments made from the issuance of pension bonds less accumulated amortization calculated on the straight-line method over the life of the pension obligation bonds.

**Capital Assets**

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The District defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life in excess of one year. Maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	10 to 50 years
Vehicles and equipment	5 to 30 years

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Retirement Plans**

Substantially all of the District's employees are participants in the Oregon Public Employees Retirement Fund (OPERF), administered by the Oregon Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis as required by the plan and are charged as expenses/expenditures.

The 2003 Oregon Legislature passed PERS reform legislation and essentially created a new retirement plan for employees hired on or after August 29, 2003. These employees become members of the Oregon Public Service Retirement Plan (OPSRP). OPSRP is a hybrid retirement plan with two components: the Pension Program (defined benefit plan) and the Individual Account Program (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan). OPSRP is administered by PERS.

In addition, until June 30, 2004, the District offered an early retirement incentive program to certified and eligible administrators at age fifty-eight with ten years of regular service who qualified for early retirement benefits which were funded at actuarially determined amounts and charged to expenses/expenditures.

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2014*

In 2011, the District offered retirement benefits program to eligible certified, classified and administrative staff, with the exception of the Superintendent, who have completed a minimum of five years of regular service and were PERS eligible. The plan has been funded and is being charged to expenses/expenditures.

In 2012, the District offered a new early retirement benefits program to eligible certified staff that have completed a minimum of five years of regular service and were PERS eligible. The plan is being funded and is being charged to expenses/expenditures.

The District offers its employees tax deferred annuity plans established pursuant to Section 403(b) and 457(b) of the Internal Revenue Code.

**Compensated Absences**

It is the District's policy to permit employees to accumulate earned, but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All vacation pay is considered to be current as the District policy states that vacation will lapse if not taken within six months following the year end. It is accrued when earned in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only as they come due, for example, as a result of employee resignation and retirements.

**Long-Term Debt**

In the government-wide financial statements, long-term debt is reported as a liability in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized when incurred and are not deferred. The face amount of the debt issued, premiums received on debt issuances, and discounts are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. All principal and interest debt payments are paid by the Debt Service Fund.

**Net Position**

Net position is comprised of the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

Net investment in capital assets - consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.



Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There are net positions restricted for debt service and student body.

Unrestricted net position – consists of all other assets that are not included in other categories previously mentioned.

### **Use of Estimates**

The preparation of basic financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

### **Subsequent Events**

The date to which events occurring after June 30, 2014, the date of the most recent statement of net position, has been evaluated for possible adjustment to the financial statements or disclosure is November 4, 2014, which is the date on which the financial statements were available to be issued.

### **Governmental Fund Balances**

In the governmental financial statements, fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental Fund type fund balances are classified as follows:

- Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.
- Restricted – Amounts that can be spent only for specific purposes when the constraints placed on the use of these resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – Amounts that can be used only for specific purposes determined by a formal action of the School Board. The use of committed funds would be approved by resolution. The School Board can modify or rescind the commitment at any time through an amending resolution.

- Assigned - Amounts that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the School Board approves which resources should be "reserved" during the adoption of the annual budget. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The Superintendent and Chief Financial Officer have been granted the authority to assign fund balances, pursuant to School Board Resolution number 13-314.
- Unassigned - All amounts not included in other spendable classifications. This residual classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

The governing body has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable), and unassigned.

### **Definitions of Governmental Fund Types**

The General Fund is used to account for all financial resources not accounted for in another fund. In addition, certain funds budgeted as Special Revenue Funds are reported as part of the General Fund because their source of funds is primarily transfers from the General Fund.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenues sources" means that the revenue sources for the fund must be from restricted or committed sources, specifically that a substantial portion of the revenue must be from these sources and be expended in accordance with those requirements.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years should also be reported in debt service funds.

**Fund Balance Policy**

School Board policy mandates that the District budget a minimum of 5.0 percent of its General Fund revenue as contingency, and that a 5.0 percent fund balance be maintained.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budget**

A budget is prepared and legally adopted for each governmental fund type, proprietary fund type, and private-purpose trust fund on the modified accrual basis of accounting. The budgetary basis of accounting is the same as accounting principles generally accepted in the United States of America for the governmental fund types and private-purpose trust fund, except capital outlay expenditures, including items below the District's capitalization level, which are budgeted by major function in the governmental fund types. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

Appropriations are established at the major function level (instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, operating contingency and transfers) for each fund. The detail budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution.

Supplemental budgets less than 10% of a fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels) with Board approval. During the year, two appropriation transfers were made. Appropriations lapse at the end of each fiscal year.

**3. CASH AND INVESTMENTS**

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "Equity in pooled cash and investments." In addition, cash and investments are separately held by several of the District's funds.

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

Cash and investments are comprised of the following at June 30, 2014:

Cash with fiscal agent	\$ 89,775
Petty cash	300
Deposits with banks	9,936,581
Investments	66,111,853
	<u>\$ 76,138,509</u>

Cash and investments are shown on the basic financial statements as:

Statement of Net Position	
Cash and investments	\$ 75,874,147
Statement of Net Position Fiduciary Funds	
Equity in pooled cash and investments	<u>264,362</u>
	<u>\$ 76,138,509</u>

At year-end, the District's deposits with various financial institutions had a bank value of \$10,713,212 and a book value of \$10,026,356. All deposits not covered by FDIC insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon. The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a participating bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the District's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions with institutions participating in the Oregon Public Funds Collateralization Program (PFCP) are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. As of June 30, 2014, \$10,040,501 of the District's bank balances were exposed to custodial credit risk as they were collateralized with securities held by the pledging financial institution's agent, but not in the District's name.

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

As of June 30, 2014 the District held the following investments and maturities:

Investment Type	Fair Value	Weighted Average Maturity in Years	% of Investment Portfolio
Corporate securities	\$ 14,946,023	0.814	22.6 %
Local Government Investment Pool	35,435,705	0.003	53.6
U.S. Agency securities	15,730,125	0.226	23.8
	<u>\$ 66,111,853</u>	<u>0.237</u>	<u>100.0 %</u>

The “weighted average maturity in years” calculation assumes that all investments are held until maturity.

As a means of limiting its exposure to fair value losses arising from rising interest rates, the District’s investment policy limits investment as follows:

Investment Type	Maximum % of Portfolio	Maximum Length to Maturity
Bankers' acceptances	25%	6 months
Corporate securities	35%	18 months
Local Government Investment Pool	100%	1 day
State and local government obligations	30%	18 months operating funds, 3 years for capital project funds
U.S. Agency securities	100%	18 months operating funds, 3 years for capital project funds
U.S. Treasury securities	100%	18 months operating funds, 3 years for capital project funds

The maximum amount of pooled investments to be placed in the LGIP is limited by Oregon State Statutes and will increase proportionately with the Portland Consumer Price Index. The limit can be temporarily exceeded for ten business days and does not apply either to pass-through funds or to funds invested on behalf of another governmental unit.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District minimizes custodial credit risk by limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, brokers/dealers, intermediaries and advisors with which the District will do business. All of the investments above, except for the investment in the LGIP which is not evidenced by securities, are held in safekeeping by the financial institution counterparty in the financial institution’s general customer account name.

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

The District's credit risk policy, which adheres to State of Oregon law, is to limit its investments to the following: Issuers within Oregon must be rated "A" (bonds) or A-2 / P-2 (commercial paper) or better by Standard and Poor's, Moody's Investors Service or any other nationally recognized statistical rating organization, issuers not in Oregon must be rated AA / Aa (bonds) or A-1 / P-1 (commercial paper) or better.

At June 30, 2014, the District's investments were rated as follows:

Investment Type	Highest Rating From				
	Moody's Investors Service or Standard & Poor's Corporation				
	Total	Aaa/AAA	Aa/AA	A/A	Not Rated
Corporate securities	\$ 14,946,023	\$ -	\$ 9,368,148	\$ 5,577,875	\$ -
Local Government Investment Pool	35,435,705	-	-	-	35,435,705
U.S. Agency securities	15,730,125	15,730,125	-	-	-
	<u>\$ 66,111,853</u>	<u>\$ 15,730,125</u>	<u>\$ 9,368,148</u>	<u>\$ 5,577,875</u>	<u>\$ 35,435,705</u>

The Oregon State Treasurer maintains the Oregon Short-Term Fund, of which the LGIP is a part and is not registered with the U.S. Securities and Exchange Commission. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statute, funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The LGIP was created to offer a short-term investment alternative to Oregon local governments. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer. The State of Oregon LGIP is unrated for credit quality.

The District's policy for investing in individual issuers varies depending on the type of investments. U.S. Treasury and Agency securities do not have restrictions regarding concentration with any one issuer. No more than 25% of the total portfolio of investments may be invested in a single issuer of bankers' acceptances. At the time of purchase, investments in corporate securities of any one issuer may not exceed 5% of the investment portfolio. At June 30, 2014, more than 5% of the District's portfolio was invested in Federal Home Loan Mortgage Corporation Discount Note and Federal National Mortgage Association Discount Note securities. These investments were 15.1% and 7.6%, respectively, of the District's total investments.

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**4. RECEIVABLES**

Receivables are comprised of the following as of June 30, 2014:

<u>Account</u>	<u>Amount</u>
Property taxes receivable	
General fund	\$ 5,553,701
Debt service fund	2,329,628
Total property taxes receivable	<u>7,883,329</u>
Grants receivable	
Other governmental funds	<u>3,584,962</u>
Interest and other	
General fund	6,410,147
Debt service fund	134,548
Capital projects fund	4,287,038
Other governmental funds	280,388
Internal service funds	<u>55,669</u>
Total interest and other receivables	<u>11,167,790</u>
Total receivables	<u><u>\$ 22,636,081</u></u>

**5. INTERFUND RECEIVABLES AND PAYABLES**

The composition of interfund balances as of June 30, 2014 is as follows:

	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>
General fund	\$ 1,125,988	\$ 804,206
Debt service fund	-	999,553
Capital projects fund	133	-
Other governmental funds	905,024	-
Internal service funds	<u>511</u>	<u>227,897</u>
Total	<u><u>\$ 2,031,656</u></u>	<u><u>\$ 2,031,656</u></u>

There is an \$804,206 interfund balance in the General Fund to fund reimbursable expenditures in the Grant Fund. The remaining \$1,227,450 interfund balances between funds are the result of payroll accruals at year end.

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**6. CAPITAL ASSETS**

Capital assets activity for the year was as follows:

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014
Capital assets not being depreciated:				
Land	\$ 50,451,377	\$ 11,762,484	\$ (14,157)	\$ 62,199,704
Construction in progress	4,272,892	953,469	(4,221,362)	1,004,999
Total capital assets not being depreciated	<u>54,724,269</u>	<u>12,715,953</u>	<u>(4,235,519)</u>	<u>63,204,703</u>
Capital assets being depreciated:				
Buildings and improvements	648,365,173	6,494,293	(196,248)	654,663,218
Vehicles and equipment	33,005,120	1,321,224	(618,100)	33,708,244
Total capital assets being depreciated	<u>681,370,293</u>	<u>7,815,517</u>	<u>(814,348)</u>	<u>688,371,462</u>
Less accumulated depreciation for:				
Buildings and improvements	(190,316,783)	(13,999,982)	54,038	(204,262,727)
Vehicles and equipment	(16,467,431)	(2,652,119)	473,474	(18,646,076)
Total accumulated depreciation	<u>(206,784,214)</u>	<u>(16,652,101)</u>	<u>527,512</u>	<u>(222,908,803)</u>
Total capital assets being depreciated, net	<u>474,586,079</u>	<u>(8,836,584)</u>	<u>(286,836)</u>	<u>465,462,659</u>
Total capital assets, net	<u>\$ 529,310,348</u>	<u>\$ 3,879,369</u>	<u>\$ (4,522,355)</u>	<u>\$ 528,667,362</u>

Depreciation expense for the year was charged to the following programs:

Regular programs	\$ 8,132,886
Special programs	2,974,065
Summer school programs	21,648
Student support services	1,290,538
Instructional staff support	379,668
General administration support	66,608
School administration	1,283,877
Business support services	1,603,597
Central activities support	456,268
Nutrition services	103,243
Community services	339,703
	<u>\$ 16,652,101</u>



**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**7. COMPENSATED ABSENCES**

Activity for compensated absences for the year ended June 30, 2014, all of which are considered due within one year, as follows:

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014
Compensated Absences	\$ 2,446,308	\$ 3,021,544	\$ (2,854,560)	\$ 2,613,292

**8. OPERATING LEASES**

The District entered into an operating lease agreement as lessee for financing of computers. The total cost for this lease amounted to \$551,933 for the year ended June 30, 2014. Future payments associated with operating leases are due as follows:

Fiscal Year Ending June 30,	Amount
2015	\$ 551,932

**9. CAPITAL LEASES**

The District entered into lease agreements as lessee for financing the acquisition of buses for student transportation. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the net present value of their future minimum lease payments as of the inception date. During the fiscal year, capital lease obligations decreased from \$1.1 million to \$0.6 million due to an offset by principal payments of \$0.5 million. The leased buses have a cost of \$9.9 million and have a net book value of \$5.8 million and accumulated depreciation of \$4.1 million at June 30, 2014. Amortization expense of the period is included in the depreciation expense. The capital lease obligations are paid by the Debt Service Fund which is funded by a transfer from the General Fund.

Future minimum lease obligations and the net present value of these minimum lease payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2015	\$ 385,765	\$ 15,012	\$ 400,777
2016	197,350	3,042	200,392
Total	\$ 583,115	\$ 18,054	\$ 601,169

## 10. LONG-TERM DEBT

### Bonds Payable

#### **General Obligation Bonds**

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year.

#### **Full Faith and Credit Obligation Bonds**

On March 19, 2009 the District issued \$22,650,000 full faith and credit obligation bonds to provide funds for the construction of the Transportation Service Center, an option school auditorium, bus particulate traps and an option high school remodel. Interest rates on the bonds range from 2.50% to 5.13% and the final maturity date is June 1, 2036.

#### **Limited Tax Pension Obligation Bonds**

On June 21, 2005 the District participated with thirteen Oregon school districts and two educational service districts in a pooled issuance of taxable pension obligation bonds to finance the District's estimated PERS unfunded actuarial liability. The District issued \$189,935,000 in debt as part of a pooled issuance of \$475,205,000. Except for the payment of its pension bond payments and additional charges when due, each school district has no obligation or liability to any other participating school district's pension bonds or liabilities to PERS.

Bond proceeds were paid to the Oregon Public Employees Retirement System. An intercept agreement with the State of Oregon was required as a condition of issuance; therefore a portion of State School Fund support is withheld on a monthly basis to repay debt. Funds are accumulated and invested by a trust officer and annual principal and interest payments are made each June 30, beginning June 2005 and ending June 2028. The bond interest rates range from 4.11% to 4.76%. The District recorded the amounts deposited with PERS as a prepayment of its actuarial obligation, and accounts for the payment of principal and interest as a pension expense annually. The prepayment is being amortized over the life of the bonds based on the straight-line method. This method most closely recognizes the remaining prepaid asset.

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

Long-term liability activity for the year ended June 30, 2014 is as follows:

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 272,895,000	\$ -	\$ 39,335,000	\$ 233,560,000	\$ 24,380,000
Pension obligation bonds	168,195,000	-	4,820,000	163,375,000	5,540,000
Full Faith & Credit obligation bonds	20,175,000	-	695,000	19,480,000	545,000
Unamortized premium	28,192,064	-	3,410,272	24,781,792	2,855,135
Total bonds payable, net	<u>\$ 489,457,064</u>	<u>\$ -</u>	<u>\$ 48,260,272</u>	<u>\$ 441,196,792</u>	

Payments on the general obligation bonds are made by the Debt Service Fund from property taxes and earnings on investments. Payments on pension bonds are made by the Debt Service Fund from revenue from charges to other funds. The payments on the full faith and credit obligation bonds are made by the General Fund and Capital Projects Fund. Federal arbitrage restrictions apply to substantially all debt.

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

The following is a summary of long-term debt transactions of governmental activities for the year ended June 30, 2014:

Issue Date	Original Issue	Principal			Outstanding at June 30, 2014	Interest Rates
		Outstanding at June 30, 2013	Additions	Reductions		
<u>General Obligation Bonds:</u>						
October 21, 2004	104,530,000	\$ 11,090,000	\$ -	\$ 11,090,000	\$ -	4.50 - 5.00%
November 10, 2005	49,470,000	21,160,000	-	16,160,000	5,000,000	5.00%
January 24, 2007	149,090,000	18,000,000	-	4,800,000	13,200,000	4.13 - 5.00%
April 2, 2009	42,810,000	28,920,000	-	-	28,920,000	3.00 - 5.00%
August 25, 2011	42,175,000	35,190,000	-	5,425,000	29,765,000	3.00 - 5.00%
December 11, 2012	33,075,000	32,500,000	-	1,160,000	31,340,000	0.36 - 1.72%
December 11, 2012	126,325,000	126,035,000	-	700,000	125,335,000	1.75 - 4.00%
		<u>272,895,000</u>	<u>-</u>	<u>39,335,000</u>	<u>233,560,000</u>	
<u>Limited Tax Pension Obligation Bonds:</u>						
June 21, 2005	189,935,000	168,195,000	-	4,820,000	163,375,000	4.30 - 4.76%
<u>Full Faith and Credit Obligation Bonds:</u>						
March 19, 2009	22,650,000	20,175,000	-	695,000	19,480,000	2.50 - 5.13%
<u>Total G.O. and Pension Bonds</u>		<u>461,265,000</u>	<u>-</u>	<u>44,850,000</u>	<u>416,415,000</u>	
<u>Unamortized Premium</u>		<u>28,192,064</u>	<u>-</u>	<u>3,410,272</u>	<u>24,781,792</u>	
Total		<u>\$ 489,457,064</u>	<u>\$ -</u>	<u>\$ 48,260,272</u>	<u>\$ 441,196,792</u>	

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
*JUNE 30, 2014*

Future bond maturities are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	\$ 30,465,000	\$ 17,459,642	\$ 47,924,642
2016	33,120,000	16,480,384	49,600,384
2017	35,240,000	15,291,721	50,531,721
2018	33,180,000	14,103,064	47,283,064
2019	21,970,000	12,623,322	34,593,322
2020-2024	146,275,000	46,860,849	193,135,849
2025-2029	107,755,000	12,486,769	120,241,769
2030-2034	5,775,000	1,588,549	7,363,549
2035-2036	2,635,000	201,413	2,836,413
	<u>\$ 416,415,000</u>	<u>\$ 137,095,713</u>	<u>\$ 553,510,713</u>

Outstanding issues are callable as follows:

January 24, 2007 - at par plus accrued interest beginning June 1, 2016

March 19, 2009 - at par plus accrued interest beginning June 1, 2020

In prior years, the District defeased general obligation bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old obligations. As a result, the early refunded bonds are considered to be defeased. Accordingly, the trust account assets and the liabilities for the defeased obligations are not included in the District's basic financial statements. At June 30, 2014, \$158,885,000 of general obligation bonds outstanding are considered defeased.

**11. INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2014 are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
General fund	\$ 1,356,594	\$ 4,527,042
Debt service fund	2,185,926	-
Capital projects fund	-	1,101,713
Other governmental funds	39,300	39,300
Internal service fund	<u>2,235,000</u>	<u>148,765</u>
Total	<u>\$ 5,816,820</u>	<u>\$ 5,816,820</u>

The District made transfers from the General Fund in the amount of \$2,235,000 to the Internal Service Fund to fund property insurance premiums. Transfers were made from both the General and Capital Projects Funds to the Debt Service Fund totaling \$541,600 and \$1,101,713, respectively, to pay principal and interest payments on the full faith and credit obligations. The District also made transfers from the General Fund to the Debt Service Fund totaling \$542,613 to pay principal and interest payments on capital lease obligations for the purchase of buses. Within the General Fund, transfers totaling \$1,207,829 were made between the sub-funds. The Pension Fund received \$500,000 and the Long-term Planning Fund received \$707,829. Finally, the District transferred \$148,765 from Internal Service Fund, to the General Fund as the Printing Services Fund closed in this fiscal year.

**12. EARLY RETIREMENT**

**Plan description** - The District maintains three single-employer early retirement supplement program for its employees.

**Plan description 2004** - The District maintains a single-employer early retirement supplement program for its employees. This program covers all full-time certified, classified and eligible administrative personnel of the District who qualified prior to June 30, 2004, when the program was closed. The District does not issue a standalone report for this plan.

These programs were established under separate collective bargaining agreements and provide provisions for early retirement after 30 years of service or age 58 with at least 10 years of continuous District service immediately preceding retirement. This optional early retirement program provides the employee with the following:

- For eligible administrators, medical benefits are provided until age 62.

**Plan description 2011** - An early retirement benefits program was established during the fiscal year 2010-11. The plan is, in substance, a single employer defined benefit plan established under collective bargaining agreements. The incentive is available to all employee groups - licensed, classified and administrators, with the exception of the current Superintendent, who qualified prior to June 30, 2011, when the program was closed. The District does not issue a standalone report for this plan.

Employees must have five plus years of Beaverton School District experience and be PERS eligible. There is no survivor option. The early retirement benefit is determined by base salary for fiscal year 2010-11 only.

- Employees whose base salary is \$20,000 - \$30,000 will receive \$200 monthly for two years.
- Employees whose base salary is \$30,001 - \$40,000 will receive \$300 monthly for two years.
- Employees whose base salary is \$40,001 - \$68,000 will receive \$550 monthly for two years.
- Employees whose base salary is \$68,001 & above will receive \$700 monthly for two years.

**Plan description 2012** - A new early retirement benefits program was established during the fiscal year 2011-12. The plan is, in substance, a single employer defined benefit plan established under collective bargaining agreements. The incentive is available to the licensed employee group only who qualified prior to June 30, 2012, when the program was closed. The District does not issue a standalone report for this plan.

Employees must have five plus years of Beaverton School District experience and be eligible for PERS. There is no survivor option. Licensed employees who qualify will receive \$900 monthly for two years.

**Summary of significant accounting policies** - The plans are accounted for in the Pension Fund. The District's contributions are recognized when due and a formal commitment to provide the contributions has been made. Plan investments are a part of the District's investment pool, reported at fair value. Benefits and refunds in the Pension Fund are recognized when due and payable in accordance with the terms of the plans.

**Funding policy** - The benefits from these sunsetted programs are fully paid by the District and, consequently, no contributions by employees are required. Although there is no obligation on the part of the District to fund these benefits in advance, the District fully funded the obligation in the Pension Sub-Fund of the General Fund. The Pension Sub-Fund also accounts for resources and payments of post-employment health care benefits for early retirees. The available committed balance of the Pension Sub-Fund at June 30, 2014 is \$291,265. The District's total remaining estimated liability for all three plans is \$285,000 and will end December 2017.

**Contributions** - Contributions are financed by a transfer from the General Fund. A transfer to the Pension Sub-Fund of \$500,000 was made in fiscal year 2014 to fully fund the programs; there were transfers of \$750,000, \$1,050,000 and \$0 in fiscal years 2013, 2012, and 2011

respectively. Expenditures are recorded in the Pension Sub-Fund on the pay-as-you-go basis. The cost of these benefits in fiscal years 2014, 2013, and 2012 were \$764,112, \$1,291,171, and \$704,595 respectively.

Program membership for Plan 2004 consisted of 183 retirees receiving benefits at July 1, 2006, the date of the last actuarial valuation. Retirees receiving early retirement supplement benefits totaled 3, 5, and 7 for fiscal years 2014, 2013, and 2012 respectively. Program membership for Plan 2011 receiving benefits totaled 72, 94 and 94 in fiscal years 2014, 2013 and 2012 respectively. Program membership for Plan 2012 receiving benefits totaled 57 in both fiscal years 2014 and 2013.

### **13. OTHER POSTEMPLOYMENT BENEFITS (OPEB)S**

#### **Postemployment Health Insurance Subsidy**

**Plan description** - The District operates a single-employer retiree benefit plan that provides postemployment health, dental, vision and life insurance benefits to eligible employees and their spouses. There are 4,417 active and 368 retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements and Oregon State law.

The District's post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulate that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims costs, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the District's implicit employer contribution.

The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan. Instead, the activities of the plan are reported in the General Fund.

The postemployment health insurance subsidy plan does not have a separate, audited GAAP-basis postemployment benefit plan report.

**Funding policy** - The benefit from this program is paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the District to fund these benefits in advance.

**Annual OPEB cost and net OPEB obligation** - The District's annual other postemployment benefit cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance within the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a closed period not to exceed thirty years. The following table shows the components of the OPEB obligation at the end of the year:



**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

	2014	2013	2012
Annual required contribution	\$ 3,703,544	\$ 3,691,789	\$ 3,691,789
Interest on net pension obligation	403,264	339,409	271,130
Adjustment to annual required contribution	(859,196)	(709,912)	(567,098)
Annual OPEB cost	3,247,612	3,321,286	3,395,821
Contributions made	(1,337,791)	(1,496,864)	(1,444,982)
Increase in net OPEB obligation	1,909,821	1,824,422	1,950,839
Net OPEB obligation- beginning of year	11,521,822	9,697,400	7,746,561
Net OPEB obligation- end of year	<u>\$ 13,431,643</u>	<u>\$ 11,521,822</u>	<u>\$ 9,697,400</u>

The District's annual OPEB cost, the contribution, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligation for 2014 were as follows:

Fiscal Year Ended June 30	Annual OPEB cost	Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 4,511,147	\$ 2,187,547	48%	\$ 4,647,200
2010	3,129,076	1,436,162	46%	6,340,114
2011	3,082,945	1,676,498	54%	7,746,561
2012	3,395,821	1,444,982	43%	9,697,400
2013	3,321,286	1,496,864	45%	11,521,822
2014	3,247,612	1,337,791	41%	13,431,643

**Funded status and funding progress** - As of July 1, 2013, the most recent actuarial valuation date, for the periods ended June 30, 2014 and June 30, 2015; the District's actuarial accrued liability (AAL) measured on an entry age basis for benefits was \$31,047,373, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$31,047,373. The covered payroll is \$200,544,300. The ratio of the total UAAL to annual covered payroll is 15.5%. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Actuarial methods and assumptions** - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective and techniques designed to reduce short-term volatility were used.

In the July 1, 2013 actuarial valuation, the aggregate actuarial cost method was used. The aggregate method does not identify or separately amortize unfunded liabilities. Instead, for an

unfunded plan the present value of all projected benefits is recognized in the normal cost calculation, which is effectively equivalent to financial statement recognition over the remaining projected future service career of current actives. In the 2013 valuation, this recognition period was 13.4 years. The actuarial assumptions included an investment return rate of 3.5 percent and a 60 percent assumption of participants who elect medical coverage at retirement. They also assume medical and prescription drug costs would increase at 11.10 percent inflation for the current year, gradually grading down to an annual rate of 4.7 percent over seventy years which is consistent with expectations for long-term health care cost inflation. The projected salary increases and cost of living adjustments are non-applicable as the benefits are unrelated to pay and are not linked to general inflation. The demographic assumptions, such as mortality rates, disability incidence rates, retirement rates, and withdrawal rates, are the same as those used by Oregon PERS for school districts for its December 31, 2013 actuarial valuation.

### **Tax Sheltered Annuity**

The District offers its employees two tax deferred annuity programs established pursuant to Sections 403(b) and 457(b) of the Internal Revenue Code (the Code). Contributions are made through salary reductions from participating employees up to the amounts specified in the code. No contributions are required from the District. As of June 30, 2014, 1,022 employees were participating in the 403(b) traditional plan, 159 employees were participating in the 403(b) Roth plan and 63 employees were participating in the 457(b) plan.

### **Retirement Health Insurance Account (RHIA)**

**Plan description** - As a member of Oregon Public Employees Retirement System (OPERS) the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA resides with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

**Funding policy** - Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or

more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.59% Tier 1 and Tier 2 payroll and 0.49% of OPSRP of annual covered payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to RHIA for the years ended June 30, 2014, 2013 and 2012 were approximately \$1,325,000 \$1,279,000 and \$1,360,000, which equaled the required contributions each year.

#### **14. PENSION PLAN**

**Plan description** - The District contributes to two pension plans administered by the Oregon PERS. The Oregon Public Employees Retirement Fund (OPERF) applies to the District's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: 1) The Pension Program, the defined benefit portion of the plan, applies to qualifying District employees hired after August 29, 2003. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. 2) Beginning January 1, 2004, all PERS member contributions are directed into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any subsequent member contributions are deposited into the member's IAP, not the member's PERS account.

Both PERS plans provide retirement and disability benefits, post-employment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to PERS, PO Box 23700, Tigard, OR, 97281-3700 or by calling 503-598-7377.

**Funding policy** - All school districts in Oregon are treated as one employer and therefore participate in the school district "Pool". PERS contribution rates vary from district to district

only due to the variation in each district's decision as to whether to advance fund a portion of the Pool's PERS unfunded actuarial liability (PERS UAL). At June 30, 2014, the District's prepaid PERS UAL is \$130.5 million. Districts choosing to finance and prepay a portion of their PERS UAL then have a "side account" with PERS, the performance of which will affect their district's rates going forward. The District has a side account with PERS.

Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The District is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF rate in effect for the year ended June 30, 2014 was 15.35%. The OPSRP rates in effect for the year ended June 30, 2012 was 12.43%. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

**Annual pension cost** - The District's contributions to PERS for the years ending June 30, 2014, 2013, and 2012 were approximately \$28,333,000, \$22,863,000 and \$23,052,000, respectively, which equaled the required contribution for the year. During the 2004-05 year the District issued limited tax pension obligation bonds, the proceeds of which were used to finance its estimated unfunded actuarial liability (See Note 10).

## **15. RISK MANAGEMENT**

### **Self-Insurance**

Internal Service Funds (Insurance Reserve and Workers' Compensation Funds) account for the costs incurred for workers' compensation claims, general liability claims, and property and fire losses.

The District provides currently for estimated losses to be incurred from pending claims and for claims incurred but not reported (IBNR). IBNR claims are claims that are incurred through the end of the fiscal year, but not reported until after that date. These liabilities are based on actuarial valuations or District estimates.

The District is self-insured for costs up to policy deductible limits as follows:

- General Liability and School Board errors and omissions - \$500,000 per occurrence
- Fire loss, property damage, all risk (theft, vandalism, etc.) - \$500,000 per occurrence
- Workers' compensation claims - \$350,000 per claim
- Long-term disability claims - payment of all claims for the first fifty-one months of disability for eligible administrator and classified staff. Eligible certified staff are fully insured for disability claims.

The District is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

commercial insurance. The District does not engage in risk financing activities where the risk is greater than the self-insurance amounts. Settlements have not exceeded insurance coverage for each of the three years ended June 30, 2014. There have been no reductions to the District's insurance coverage during the year. The District anticipates that all accrued claims losses will be paid within twelve months.

Changes in the balances of claims liabilities for the fiscal years ended June 30, 2014, 2013 and 2012 are as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Accrued claim losses, July 1	\$ 2,228,071	\$ 2,545,325	\$ 2,545,325
Incurred claims, including an estimate of claims incurred but not reported (IBNR)	651,959	1,159,456	1,301,664
Claim payments	<u>(1,019,030)</u>	<u>(1,476,710)</u>	<u>(1,301,664)</u>
Accrued claim losses, June 30	<u>\$ 1,861,000</u>	<u>\$ 2,228,071</u>	<u>\$ 2,545,325</u>

**16. SCHOOL FUNDING**

The District is dependent on the State of Oregon for a substantial portion of its operating funds. Due to funding uncertainties at the State level, future funding for school districts may be reduced. The ultimate effect of this possible reduction in funding on the District's future operations is not yet determinable.

**17. COMMITMENTS AND CONTINGENCIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by these agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the District. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time, although District management expects such amounts, if any, to be immaterial.

The District is committed under various accepted bid agreements and contracts for approximately \$6.8 million for goods, services, and construction of facilities.

The District, in the regular course of business, is named as a defendant in various lawsuits. The likely outcome of these lawsuits is not presently determinable.

**18. SUBSEQUENT EVENTS**

The District issued general obligation bonds subsequent to June 30, 2014. On July 22, 2014, the District issued \$382,393,784 General Obligation Bonds with interest rates of 0.93% to 5%. This is the first bond sale for the District's 2014 Capital Improvement Plan funded by a \$680 million capital bond program that was passed by voters in the May 20, 2014 election.

**19. NEW ACCOUNTING STANDARDS IMPLEMENTED**

For the fiscal year ended June 30, 2014, the District implemented a new accounting standard:

GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities" (GASB 65), amends or supersedes the accounting and financial reporting guidance for certain items previously required to be reported as assets and liabilities. The objective is to either properly classify certain items that were resources, or recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses) or inflows of resources (revenues). The implementation of GASB 65 resulted in the write-off of bond issuance costs, and a reduction of beginning Net Position by \$2,764,692.

GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees." The statement provides guidance on accounting for and reporting nonexchange financial guarantees. The District has no nonexchange financial guarantees.

**20. NEW PRONOUNCEMENTS**

The District will implement new GASB pronouncements no later than the required fiscal year. Management has not determined the effect on the financial statements from implementing any of the following pronouncements.

GASB Statement No. 68 "*Accounting and Reporting for Pension Plans – an amendment of GASB Statement No. 27.*" The statement establishes accounting and financial reporting requirements related to pensions provided by governments. The statement is effective for fiscal years beginning after June 15, 2014.

GASB Statement No. 69 "*Government Combinations and Disposals of Operations.*" The statement provides guidance on accounting for and reporting government mergers, acquisitions, transfers of operations and disposal. The statement is effective for fiscal years beginning after December 15, 2013.

GASB Statement No. 71 "*Pension Transition for Contributions Made Subsequent to the Measurement Date.*" The statement amends transition provisions of GASB Statement No. 68, establishes accounting and financial reporting standards for recognition of contributions made between the measurement date of the net pension liability and implementation of GASB Statement No. 68. The statement is effective for fiscal years beginning after June 15, 2014.

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**REQUIRED SUPPLEMENTARY INFORMATION**



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**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF FUNDING PROGRESS FOR  
OTHER POSTEMPLOYMENT BENEFITS  
JUNE 30, 2014**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liabilty (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
July 1, 2008	\$ -	\$ 27,059,208	\$ 27,059,208	-	\$ 197,716,946	14%
July 1, 2011	-	28,686,568	28,686,568	-	201,453,676	14%
July 1, 2013	-	31,047,373	31,047,373	-	200,544,300	15%

**BEAVERTON SCHOOL DISTRICT  
RECONCILIATION OF BUDGETARY TO REPORTING FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (GAAP BASIS)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2014**

	Budgetary Funds			Total (reported as General Fund)
	General Fund	Pension	Long-Term Planning	
<b>REVENUES:</b>				
Property taxes	\$ 109,949,739	\$ -	\$ -	\$ 109,949,739
Local option levy	19,060,210	-	-	19,060,210
State and local sources	214,446,530	-	-	214,446,530
Charges for services	3,669,128	-	-	3,669,128
Rentals	649,200	-	-	649,200
Investment earnings	332,285	2,963	3,944	339,192
Contributions and donations	3,748	-	-	3,748
Recovery of prior years' expenditures	27,547	-	-	27,547
Other	983,462	-	-	983,462
<b>TOTAL REVENUES</b>	<b>349,121,849</b>	<b>2,963</b>	<b>3,944</b>	<b>349,128,756</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction	210,118,820	-	-	210,118,820
Support services	110,808,530	764,112	630,319	112,202,961
Facilities, acquisition and construction	22,431	-	-	22,431
<b>TOTAL EXPENDITURES</b>	<b>320,949,781</b>	<b>764,112</b>	<b>630,319</b>	<b>322,344,212</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>28,172,068</b>	<b>(761,149)</b>	<b>(626,375)</b>	<b>26,784,544</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	148,765	500,000	707,829	1,356,594
Transfers out	(4,527,042)	-	-	(4,527,042)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(4,378,277)</b>	<b>500,000</b>	<b>707,829</b>	<b>(3,170,448)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>23,793,791</b>	<b>(261,149)</b>	<b>81,454</b>	<b>23,614,096</b>
<b>FUND BALANCES, July 1, 2013</b>	<b>7,550,548</b>	<b>552,414</b>	<b>417,103</b>	<b>8,520,065</b>
<b>FUND BALANCES, June 30, 2014</b>	<b>\$ 31,344,339</b>	<b>\$ 291,265</b>	<b>\$ 498,557</b>	<b>\$ 32,134,161</b>

**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (GAAP BASIS)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2014**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Property taxes	\$ 112,081,664	\$ 112,081,664	\$ 109,949,739	\$ (2,131,925)
Local option levy	15,000,000	18,000,000	19,060,210	1,060,210
State and local sources	202,966,502	205,278,355	214,446,530	9,168,175
Charges for services	3,673,052	3,673,052	3,669,128	(3,924)
Rentals	455,000	455,000	649,200	194,200
Investment earnings	300,000	300,000	332,285	32,285
Contributions and donations	6,000	6,000	3,748	(2,252)
Recovery of prior years' expenditures	100,000	100,000	27,547	(72,453)
Other	1,491,500	1,491,500	983,462	(508,038)
<b>Total revenues</b>	<b>336,073,718</b>	<b>341,385,571</b>	<b>349,121,849</b>	<b>7,736,278</b>
<b>EXPENDITURES:</b>				
Instruction	212,420,881	217,039,177	210,118,820	6,920,357
Support services	111,808,031	112,501,588	110,808,530	1,693,058
Facilities acquisition and construction	327,030	327,030	22,431	304,599
Contingencies	14,604,729	14,604,729	-	14,604,729
<b>Total expenditures</b>	<b>339,160,671</b>	<b>344,472,524</b>	<b>320,949,781</b>	<b>23,522,743</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,086,953)</b>	<b>(3,086,953)</b>	<b>28,172,068</b>	<b>31,259,021</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	153,766	153,766	148,765	(5,001)
Transfers out	(4,566,813)	(4,566,813)	(4,527,042)	39,771
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(4,413,047)</b>	<b>(4,413,047)</b>	<b>(4,378,277)</b>	<b>34,770</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(7,500,000)</b>	<b>(7,500,000)</b>	<b>23,793,791</b>	<b>31,293,791</b>
<b>FUND BALANCE, July 1, 2013</b>	<b>7,500,000</b>	<b>7,500,000</b>	<b>7,550,548</b>	<b>50,548</b>
<b>FUND BALANCE, June 30, 2014</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 31,344,339</b>	<b>\$ 31,344,339</b>

**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (GAAP BASIS)  
PENSION FUND  
YEAR ENDED JUNE 30, 2014**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 500	\$ 500	\$ 2,963	\$ 2,463
<b>TOTAL REVENUES</b>	<u>500</u>	<u>500</u>	<u>2,963</u>	<u>2,463</u>
<b>EXPENDITURES:</b>				
Support services	830,500	830,500	764,112	66,388
Operating contingency	<u>225,000</u>	<u>225,000</u>	<u>-</u>	<u>225,000</u>
<b>TOTAL EXPENDITURES</b>	<u>1,055,500</u>	<u>1,055,500</u>	<u>764,112</u>	<u>291,388</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,055,000)	(1,055,000)	(761,149)	(293,851)
<b>OTHER FINANCING SOURCES AND USES:</b>				
Transfers in	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(555,000)	(555,000)	(261,149)	293,851
<b>FUND BALANCE, July 1, 2013</b>	<u>555,000</u>	<u>555,000</u>	<u>552,414</u>	<u>(2,586)</u>
<b>FUND BALANCE, June 30, 2014</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 291,265</u>	<u>\$ 291,265</u>

**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL (GAAP BASIS)  
LONG-TERM PLANNING FUND  
YEAR ENDED JUNE 30, 2014**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Investment earnings	\$ -	\$ -	\$ 3,944	\$ 3,944
Contributions and donations	250,000	250,000	-	(250,000)
<b>TOTAL REVENUES</b>	<b>250,000</b>	<b>250,000</b>	<b>3,944</b>	<b>(246,056)</b>
<b>EXPENDITURES:</b>				
Instruction	50,000	50,000	-	50,000
Support services	1,547,600	1,547,600	630,319	917,281
Facilities acquisition and construction	150,000	150,000	-	150,000
<b>TOTAL EXPENDITURES</b>	<b>1,747,600</b>	<b>1,747,600</b>	<b>630,319</b>	<b>1,117,281</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,497,600)</b>	<b>(1,497,600)</b>	<b>(626,375)</b>	<b>871,225</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	747,600	747,600	707,829	(39,771)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>747,600</b>	<b>747,600</b>	<b>707,829</b>	<b>(39,771)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(750,000)</b>	<b>(750,000)</b>	<b>81,454</b>	<b>831,454</b>
<b>FUND BALANCE, July 1, 2013</b>	<b>750,000</b>	<b>750,000</b>	<b>417,103</b>	<b>(332,897)</b>
<b>FUND BALANCE, June 30, 2014</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 498,557</b>	<b>\$ 498,557</b>

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**OTHER SUPPLEMENTARY INFORMATION**



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**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
DEBT SERVICE FUND  
YEAR ENDED JUNE 30, 2014**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Property taxes	\$ 49,294,937	\$ 49,294,937	\$ 49,584,859	\$ 289,922
Investment earnings	65,000	65,000	86,802	21,802
Services to other funds	11,430,146	11,430,146	12,594,515	1,164,369
<b>TOTAL REVENUES</b>	<b>60,790,083</b>	<b>60,790,083</b>	<b>62,266,176</b>	<b>1,476,093</b>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	45,375,306	45,375,306	45,375,306	-
Interest	19,620,703	19,620,703	19,620,481	222
<b>TOTAL EXPENDITURES</b>	<b>64,996,009</b>	<b>64,996,009</b>	<b>64,995,787</b>	<b>222</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,205,926)</b>	<b>(4,205,926)</b>	<b>(2,729,611)</b>	<b>1,476,315</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in	2,185,926	2,185,926	2,185,926	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,185,926</b>	<b>2,185,926</b>	<b>2,185,926</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(2,020,000)</b>	<b>(2,020,000)</b>	<b>(543,685)</b>	<b>1,476,315</b>
<b>FUND BALANCE, July 1, 2013</b>	<b>2,020,000</b>	<b>2,020,000</b>	<b>1,983,309</b>	<b>(36,691)</b>
<b>FUND BALANCE, June 30, 2014</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,439,624</b>	<b>\$ 1,439,624</b>

**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2014**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Construction excise tax	\$ 1,100,000	\$ 1,800,000	\$ 2,407,510	\$ 607,510
Investment earnings	108,000	108,000	45,505	(62,495)
Rentals	35,000	35,000	29,509	(5,491)
Contributions and donations	1,500,000	1,500,000	4,895,658	3,395,658
Recovery of prior years' expenditures	200,000	200,000	121,439	(78,561)
Other	10,000	10,000	-	(10,000)
<b>TOTAL REVENUE</b>	<b>2,953,000</b>	<b>3,653,000</b>	<b>7,499,621</b>	<b>3,846,621</b>
<b>EXPENDITURES:</b>				
Support services	837,178	837,178	-	837,178
Facilities acquisition and construction	16,964,109	17,664,109	15,923,803	1,740,306
<b>TOTAL EXPENDITURES</b>	<b>17,801,287</b>	<b>18,501,287</b>	<b>15,923,803</b>	<b>2,577,484</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(14,848,287)</b>	<b>(14,848,287)</b>	<b>(8,424,182)</b>	<b>6,424,105</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of or compensation for loss of capital assets	-	-	767,803	767,803
Transfer out	(1,101,713)	(1,101,713)	(1,101,713)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,101,713)</b>	<b>(1,101,713)</b>	<b>(333,910)</b>	<b>767,803</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(15,950,000)</b>	<b>(15,950,000)</b>	<b>(8,758,092)</b>	<b>7,191,908</b>
<b>FUND BALANCE, July 1, 2013</b>	<b>15,950,000</b>	<b>15,950,000</b>	<b>14,278,780</b>	<b>(1,671,220)</b>
<b>FUND BALANCE, June 30, 2014</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,520,688</b>	<b>\$ 5,520,688</b>

## **GENERAL FUND**

These funds account for the accumulation of resources for particular activities or functions from designated sources. Funds included in this category combine into the General Fund in the combined basic financial statements and are:

*General Fund* - accounts for the basic financial operations of the District.

*Pension Fund* - accounts for the accumulation of resources to be used for payments to employees who earned supplemental early retirement stipends and post-employment health care benefits. Resources are contributed by the District's General Fund at actuarially determined amounts. These are special revenue funds in control of the District and not held in trust.

*Long-Term Planning Fund* - accounts for funds for capital equipment replacement and sustainability. Principal resources are transfers from other funds and state grants.

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**BEAVERTON SCHOOL DISTRICT  
RECONCILIATION OF BUDGETARY TO REPORTING FUNDS  
COMBINING BALANCE SHEET  
GENERAL FUND  
JUNE 30, 2014**

	Budgetary Funds			Total (reported as General Fund)
	General Fund	Pension	Long-Term Planning	
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 57,135,102	\$ 291,265	\$ 560,429	\$ 57,986,796
Cash with fiscal agent	2,033	-	-	2,033
Receivables	6,410,147	-	-	6,410,147
Property taxes receivable	5,553,701	-	-	5,553,701
Due from other funds	804,206	-	-	804,206
<b>TOTAL ASSETS</b>	<b>\$ 69,905,189</b>	<b>\$ 291,265</b>	<b>\$ 560,429</b>	<b>\$ 70,756,883</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 3,438,569	\$ -	\$ 61,872	\$ 3,500,441
Accrued salaries and benefits	28,873,670	-	-	28,873,670
Due to other funds	1,125,988	-	-	1,125,988
Unearned revenue	33,373	-	-	33,373
Other liabilities	16,250	-	-	16,250
<b>TOTAL LIABILITIES</b>	<b>33,487,850</b>	<b>-</b>	<b>61,872</b>	<b>33,549,722</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property tax revenue	5,073,000	-	-	5,073,000
Fund Balances:				
Committed	-	291,265	498,557	789,822
Unassigned	31,344,339	-	-	31,344,339
<b>TOTAL FUND BALANCES</b>	<b>31,344,339</b>	<b>291,265</b>	<b>498,557</b>	<b>32,134,161</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 69,905,189</b>	<b>\$ 291,265</b>	<b>\$ 560,429</b>	<b>\$ 70,756,883</b>

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## NONMAJOR GOVERNMENTAL FUNDS

These funds account for revenues and expenditures restricted for specific educational projects, the District's food dispensing program and student participation fees. Included are the following funds:

*Student Body Fund* – accounts for the receipts, disbursements and cash balances of the various schools' student body activity funds.

*Special Purpose Fund* – accounts for the District's individual school activity programs. The major sources of revenue are contributions and miscellaneous revenue.

*Categorical Fund* – accounts for resources reserved for expenditures on classroom supplies and equipment, capital improvements and replacements. Principal revenue source is the State of Oregon facility grant.

*Grant Fund* – accounts for revenues and expenditures of grants restricted for specific educational projects. Principal revenue sources are federal and state grants.

*Nutrition Services Fund* – accounts for revenues and expenditures for the food dispensing programs. Principal revenue sources are sales of food and subsidies under the National School Lunch and Breakfast Programs received through the State of Oregon.



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**BEAVERTON SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014**

	Special Revenue Funds					Total
	Student Body	Special Purpose	Categorical	Grant	Nutrition Services	
<b>ASSETS</b>						
Equity in pooled cash and investments	\$ 2,943,385	\$ 507,194	\$ 2,354,550	\$ -	\$ 3,883,762	\$ 9,688,891
Receivables	-	261,083	-	3,115,697	488,570	3,865,350
Inventories	-	-	-	-	391,594	391,594
<b>TOTAL ASSETS</b>	<b>\$ 2,943,385</b>	<b>\$ 768,277</b>	<b>\$ 2,354,550</b>	<b>\$ 3,115,697</b>	<b>\$ 4,763,926</b>	<b>\$ 13,945,835</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ -	\$ 128,959	\$ 465	\$ 492,285	\$ 233,034	\$ 854,743
Accrued salaries and benefits	-	47,737	-	1,180,809	676,474	1,905,020
Due to other funds	-	2,704	-	869,458	32,862	905,024
Unearned revenue	-	-	1,646,853	573,145	139,005	2,359,003
Other liabilities	-	-	-	-	304,118	304,118
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>179,400</b>	<b>1,647,318</b>	<b>3,115,697</b>	<b>1,385,493</b>	<b>6,327,908</b>
Fund Balances:						
Nonspendable	-	-	-	-	391,594	391,594
Restricted	2,943,385	-	-	-	-	2,943,385
Committed	-	588,877	707,232	-	2,986,839	4,282,948
<b>TOTAL FUND BALANCES</b>	<b>2,943,385</b>	<b>588,877</b>	<b>707,232</b>	<b>-</b>	<b>3,378,433</b>	<b>7,617,927</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,943,385</b>	<b>\$ 768,277</b>	<b>\$ 2,354,550</b>	<b>\$ 3,115,697</b>	<b>\$ 4,763,926</b>	<b>\$ 13,945,835</b>

**BEAVERTON SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014**

	Special Revenue Funds					Total
	Student Body	Special Purpose	Categorical	Grant	Nutrition Services	
<b>REVENUES:</b>						
Federal sources	\$ -	\$ -	\$ -	\$ 14,572,186	\$ 8,307,010	\$ 22,879,196
State and local sources	-	-	-	611,878	158,702	770,580
Charges for services	6,652,407	-	-	-	4,137,738	10,790,145
Rentals	-	-	-	-	3,194	3,194
Investment earnings	-	-	9,213	-	12,688	21,901
Contributions and donations	-	1,305,254	118,656	389,951	-	1,813,861
Other	-	291,877	-	-	929	292,806
<b>TOTAL REVENUES</b>	<b>6,652,407</b>	<b>1,597,131</b>	<b>127,869</b>	<b>15,574,015</b>	<b>12,620,261</b>	<b>36,571,683</b>
<b>EXPENDITURES:</b>						
Instruction	6,441,205	1,108,225	-	9,864,654	-	17,414,084
Support services	-	486,216	25,290	5,456,781	10,936	5,979,223
Enterprise and community services	-	5,093	-	197,945	12,511,866	12,714,904
Facilities, acquisition and construction	-	163,289	444,639	54,635	-	662,563
<b>TOTAL EXPENDITURES</b>	<b>6,441,205</b>	<b>1,762,823</b>	<b>469,929</b>	<b>15,574,015</b>	<b>12,522,802</b>	<b>36,770,774</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>211,202</b>	<b>(165,692)</b>	<b>(342,060)</b>	<b>-</b>	<b>97,459</b>	<b>(199,091)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	39,300	-	-	-	39,300
Transfers out	-	-	-	-	(39,300)	(39,300)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>39,300</b>	<b>-</b>	<b>-</b>	<b>(39,300)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>211,202</b>	<b>(126,392)</b>	<b>(342,060)</b>	<b>-</b>	<b>58,159</b>	<b>(199,091)</b>
<b>FUND BALANCES, July 1, 2013</b>	<b>2,732,183</b>	<b>715,269</b>	<b>1,049,292</b>	<b>-</b>	<b>3,320,274</b>	<b>7,817,018</b>
<b>FUND BALANCES, June 30, 2014</b>	<b>\$ 2,943,385</b>	<b>\$ 588,877</b>	<b>\$ 707,232</b>	<b>\$ -</b>	<b>\$ 3,378,433</b>	<b>\$ 7,617,927</b>

**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
STUDENT BODY FUND  
YEAR ENDED JUNE 30, 2014**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Extracurricular activities	\$ 8,700,000	\$ 8,700,000	\$ 6,652,407	\$ (2,047,593)
<b>EXPENDITURES:</b>				
Instruction	10,700,000	10,700,000	6,441,205	4,258,795
<b>EXCESS (DEFICIENCY) OF REVENUES  OVER (UNDER) EXPENDITURES AND NET  CHANGE IN FUND BALANCE</b>	(2,000,000)	(2,000,000)	211,202	2,211,202
<b>FUND BALANCE, July 1, 2013</b>	2,000,000	2,000,000	2,732,183	732,183
<b>FUND BALANCE, June 30, 2014</b>	\$ -	\$ -	\$ 2,943,385	\$ 2,943,385

**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL PURPOSE FUND  
YEAR ENDED JUNE 30, 2014**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Contributions and donations	\$ 2,420,312	\$ 2,420,312	\$ 1,305,254	\$ (1,115,058)
Other	2,202,000	2,202,000	291,877	(1,910,123)
<b>TOTAL REVENUES</b>	<b>4,622,312</b>	<b>4,622,312</b>	<b>1,597,131</b>	<b>(3,025,181)</b>
<b>EXPENDITURES:</b>				
Instruction	2,606,321	2,606,321	1,108,225	1,498,096
Support services	810,991	810,991	486,216	324,775
Enterprise and community services	195,000	195,000	5,093	189,907
Facilities acquisition and construction	1,500,000	1,500,000	163,289	1,336,711
<b>TOTAL EXPENDITURES</b>	<b>5,112,312</b>	<b>5,112,312</b>	<b>1,762,823</b>	<b>3,349,489</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(490,000)</b>	<b>(490,000)</b>	<b>(165,692)</b>	<b>324,308</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	60,000	60,000	39,300	(20,700)
<b>NET CHANGE IN FUND BALANCES</b>	<b>(430,000)</b>	<b>(430,000)</b>	<b>(126,392)</b>	<b>303,608</b>
<b>FUND BALANCE, July 1, 2013</b>	<b>430,000</b>	<b>430,000</b>	<b>715,269</b>	<b>285,269</b>
<b>FUND BALANCE, June 30, 2014</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 588,877</b>	<b>\$ 588,877</b>

**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
CATEGORICAL FUND  
YEAR ENDED JUNE 30, 2014**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 52,000	\$ 52,000	\$ 9,213	\$ (42,787)
Contributions and donations	400,000	400,000	118,656	(281,344)
Other	400,000	400,000	-	(400,000)
<b>TOTAL REVENUES</b>	<b>852,000</b>	<b>852,000</b>	<b>127,869</b>	<b>(724,131)</b>
<b>EXPENDITURES:</b>				
Support services	100,000	100,000	25,290	74,710
Facilities acquisition and construction	1,952,000	1,952,000	444,639	1,507,361
<b>TOTAL EXPENDITURES</b>	<b>2,052,000</b>	<b>2,052,000</b>	<b>469,929</b>	<b>1,582,071</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND NET CHAGE IN FUND BALANCE</b>	<b>(1,200,000)</b>	<b>(1,200,000)</b>	<b>(342,060)</b>	<b>857,940</b>
<b>FUND BALANCE, July 1, 2013</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>1,049,292</b>	<b>(150,708)</b>
<b>FUND BALANCE, June 30, 2014</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 707,232</b>	<b>\$ 707,232</b>

**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
GRANT FUND  
YEAR ENDED JUNE 30, 2014**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Federal sources	\$ 24,540,713	\$ 24,540,713	\$ 14,572,186	\$ (9,968,527)
State and local sources	913,000	913,000	611,878	(301,122)
Contributions and donations	952,922	952,922	389,951	(562,971)
<b>TOTAL REVENUES</b>	<b>26,406,635</b>	<b>26,406,635</b>	<b>15,574,015</b>	<b>(10,832,620)</b>
<b>EXPENDITURES:</b>				
Instruction	12,934,053	12,934,053	9,864,654	3,069,399
Support services	11,735,539	11,735,539	5,456,781	6,278,758
Enterprise and community services	237,043	237,043	197,945	39,098
Facilities acquisition and construction	1,500,000	1,500,000	54,635	1,445,365
<b>TOTAL EXPENDITURES</b>	<b>26,406,635</b>	<b>26,406,635</b>	<b>15,574,015</b>	<b>10,832,620</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, July 1, 2013</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, June 30, 2014</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
NUTRITION SERVICES FUND  
YEAR ENDED JUNE 30, 2014**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Federal sources	\$ 8,493,360	\$ 8,493,360	\$ 8,307,010	\$ (186,350)
State and local sources	155,999	155,999	158,702	2,703
Charges for services	5,830,555	5,830,555	4,137,738	(1,692,817)
Rentals	-	-	3,194	3,194
Investment earnings	19,641	19,641	12,688	(6,953)
Other	418,850	418,850	929	(417,921)
<b>TOTAL REVENUES</b>	<b>14,918,405</b>	<b>14,918,405</b>	<b>12,620,261</b>	<b>(2,298,144)</b>
<b>EXPENDITURES:</b>				
Support services	11,036	11,036	10,936	100
Enterprise and community services	16,180,405	16,180,405	12,511,866	3,668,539
Contingencies	670,140	670,140	-	670,140
<b>TOTAL EXPENDITURES</b>	<b>16,861,581</b>	<b>16,861,581</b>	<b>12,522,802</b>	<b>4,338,779</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,943,176)</b>	<b>(1,943,176)</b>	<b>97,459</b>	<b>2,040,635</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfer out	(60,000)	(60,000)	(39,300)	20,700
<b>NET CHANGE IN FUND BALANCE</b>	<b>(2,003,176)</b>	<b>(2,003,176)</b>	<b>58,159</b>	<b>2,061,335</b>
<b>FUND BALANCE, July 1, 2013</b>	<b>2,003,176</b>	<b>2,003,176</b>	<b>3,320,274</b>	<b>1,317,098</b>
<b>FUND BALANCE, June 30, 2014</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,378,433</b>	<b>\$ 3,378,433</b>



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## **INTERNAL SERVICE FUNDS**

Internal service funds are used to account for the financing of goods or services provided by one District department to other District departments, on a cost reimbursement basis. Included are:

*Printing Services Fund* - accounts for the user fees and printing costs incurred by the District's Printing Services Department.

*Insurance Reserve Fund* - accounts for costs incurred by the District under its self-insurance programs, except workers' compensation, up to insurance policy deductible limits.

*Workers' Compensation Fund* - accounts for workers' compensation claims relating to on-the-job injuries up to insurance policy deductible limits.

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**BEAVERTON SCHOOL DISTRICT  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2014**

	<u>Printing Services</u>	<u>Insurance Reserve</u>	<u>Workers' Compensation</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ -	\$ 3,470,240	\$ 2,118,626	\$ 5,588,866
Receivables	-	9,617	46,052	55,669
Due from other funds	-	101,702	126,195	227,897
	<u>-</u>	<u>3,581,559</u>	<u>2,290,873</u>	<u>5,872,432</u>
<b>TOTAL ASSETS</b>				
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	-	95,150	925	96,075
Accrued claims losses	-	513,000	1,348,000	1,861,000
Accrued salaries and benefits	-	-	9,912	9,912
Due to other funds	-	-	511	511
	<u>-</u>	<u>608,150</u>	<u>1,359,348</u>	<u>1,967,498</u>
<b>TOTAL LIABILITIES</b>				
<b>NET POSITION</b>				
Unrestricted	<u>-</u>	<u>2,973,409</u>	<u>931,525</u>	<u>3,904,934</u>
	<u>\$ -</u>	<u>\$ 2,973,409</u>	<u>\$ 931,525</u>	<u>\$ 3,904,934</u>
<b>TOTAL NET POSITION</b>				

**BEAVERTON SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2014**

	Printing Services	Insurance Reserve	Workers' Compensation	Total
<b>OPERATING REVENUES:</b>				
Charges for services	\$ -	\$ 1,441,973	\$ 1,677,043	\$ 3,119,016
Recovery of prior years' expenditures	-	137,714	126,493	264,207
Other	-	71,352	160	71,512
<b>TOTAL OPERATING REVENUES</b>	<b>-</b>	<b>1,651,039</b>	<b>1,803,696</b>	<b>3,454,735</b>
<b>OPERATING EXPENSES:</b>				
Losses and claims	-	92,489	926,541	1,019,030
Insurance premiums and assessments	-	1,737,041	67,376	1,804,417
Salaries and benefits	-	482,877	275,411	758,288
Services, supplies and materials	-	376,412	80,516	456,928
<b>TOTAL OPERATING EXPENSES</b>	<b>-</b>	<b>2,688,819</b>	<b>1,349,844</b>	<b>4,038,663</b>
<b>OPERATING INCOME (LOSS)</b>	<b>-</b>	<b>(1,037,780)</b>	<b>453,852</b>	<b>(583,928)</b>
<b>NONOPERATING REVENUE:</b>				
Investment earnings	-	15,202	8,972	24,174
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>-</b>	<b>(1,022,578)</b>	<b>462,824</b>	<b>(559,754)</b>
Transfers in	-	2,235,000	-	2,235,000
Transfers out	(148,765)	-	-	(148,765)
<b>TOTAL TRANSFERS</b>	<b>(148,765)</b>	<b>2,235,000</b>	<b>-</b>	<b>2,086,235</b>
<b>CHANGE IN NET POSITION</b>	<b>(148,765)</b>	<b>1,212,422</b>	<b>462,824</b>	<b>1,526,481</b>
<b>NET POSITION, July 1, 2013</b>	<b>148,765</b>	<b>1,760,987</b>	<b>468,701</b>	<b>2,378,453</b>
<b>NET POSITION, June 30, 2014</b>	<b>\$ -</b>	<b>\$ 2,973,409</b>	<b>\$ 931,525</b>	<b>\$ 3,904,934</b>

**BEAVERTON SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2014**

	Printing Services	Insurance Reserve	Workers' Compensation	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Received from recovery of prior years' expenditures	\$ -	\$ 137,714	\$ 126,493	\$ 264,207
Received from interfund services provided	-	1,497,685	1,616,925	3,114,610
Paid for goods and services	-	(2,093,090)	(160,484)	(2,253,574)
Paid to claimants	-	(202,739)	(1,183,362)	(1,386,101)
Paid to employees	-	(482,877)	(274,260)	(757,137)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	-	(1,143,307)	125,312	(1,017,995)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfer from other funds	-	2,235,000	-	2,235,000
Transfer to other funds	(148,765)	-	-	(148,765)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	(148,765)	2,235,000	-	2,086,235
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest received	-	15,202	8,972	24,174
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(148,765)	1,106,895	134,284	1,092,414
<b>CASH AND CASH EQUIVALENTS, JULY 1, 2013</b>	148,765	2,363,345	1,984,342	4,496,452
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2014</b>	\$ -	\$ 3,470,240	\$ 2,118,626	\$ 5,588,866
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ -	\$ (1,037,780)	\$ 453,852	\$ (583,928)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in assets and liabilities				
Receivables	-	(6,817)	(46,052)	(52,869)
Due from other funds	-	(8,823)	(14,326)	(23,149)
Accounts payable	-	20,363	(12,592)	7,771
Due to other funds	-	-	100	100
Accrued salaries and benefits	-	-	1,151	1,151
Accrued claims losses	-	(110,250)	(256,821)	(367,071)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	\$ -	\$ (1,143,307)	\$ 125,312	\$ (1,017,995)

**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
PRINTING SERVICES FUND  
YEAR ENDED JUNE 30, 2014**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>OTHER FINANCING SOURCES AND USES:</b>				
Transfers out	\$ (153,766)	\$ (153,766)	\$ (148,765)	\$ 5,001
<b>NET CHANGE IN FUND BALANCES</b>	(153,766)	(153,766)	(148,765)	5,001
<b>FUND BALANCE, July 1, 2013</b>	153,766	153,766	148,765	(5,001)
<b>FUND BALANCE, June 30, 2014</b>	\$ -	\$ -	\$ -	\$ -

**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
INSURANCE RESERVE FUND  
YEAR ENDED JUNE 30, 2014**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Charges for services	\$ 1,349,072	\$ 1,349,072	\$ 1,441,973	\$ 92,901
Investment earnings	18,000	18,000	15,202	(2,798)
Recovery of prior years' expenditures	100,000	100,000	137,714	37,714
Other	45,000	45,000	71,352	26,352
<b>TOTAL REVENUES</b>	<b>1,512,072</b>	<b>1,512,072</b>	<b>1,666,241</b>	<b>154,169</b>
<b>EXPENDITURES:</b>				
Instruction	52,020	52,020	-	52,020
Support services	4,549,794	4,549,794	2,688,819	1,860,975
Facilities acquisition and construction	260,308	260,308	-	260,308
Operating contingency	274,087	274,087	-	274,087
<b>TOTAL EXPENDITURES</b>	<b>5,136,209</b>	<b>5,136,209</b>	<b>2,688,819</b>	<b>2,447,390</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,624,137)</b>	<b>(3,624,137)</b>	<b>(1,022,578)</b>	<b>2,601,559</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	2,235,000	2,235,000	2,235,000	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,389,137)</b>	<b>(1,389,137)</b>	<b>1,212,422</b>	<b>2,601,559</b>
<b>FUND BALANCE, July 1, 2013</b>	<b>1,389,137</b>	<b>1,389,137</b>	<b>1,760,987</b>	<b>371,850</b>
<b>FUND BALANCE, June 30, 2014</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,973,409</b>	<b>\$ 2,973,409</b>



**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
WORKERS' COMPENSATION FUND  
YEAR ENDED JUNE 30, 2014**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Charges for services	\$ 1,610,159	\$ 1,610,159	\$ 1,677,043	\$ 66,884
Investment earnings	-	-	8,972	8,972
Recovery of prior years' expenditures	-	-	126,493	126,493
Other	-	-	160	160
<b>TOTAL REVENUES</b>	<b>1,610,159</b>	<b>1,610,159</b>	<b>1,812,668</b>	<b>202,509</b>
<b>EXPENDITURES:</b>				
Support services	1,858,976	1,858,976	1,349,844	509,132
Operating contingency	217,164	217,164	-	217,164
<b>TOTAL EXPENDITURES</b>	<b>2,076,140</b>	<b>2,076,140</b>	<b>1,349,844</b>	<b>726,296</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND NET CHANGE IN FUND BALANCE</b>	<b>(465,981)</b>	<b>(465,981)</b>	<b>462,824</b>	<b>928,805</b>
<b>FUND BALANCE, July 1, 2013</b>	<b>465,981</b>	<b>465,981</b>	<b>468,701</b>	<b>2,720</b>
<b>FUND BALANCE, June 30, 2014</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 931,525</b>	<b>\$ 931,525</b>

## **FIDUCIARY FUND**

This fund accounts for the District's scholarship program provided by bequests and donations. Included is:

*Private Purpose Trust Fund* - accounts for fund-raising and scholarship resources received and held by the District in a fiduciary capacity. Disbursements from this fund are made in accordance with the trust and fund-raising agreements.

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**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL  
PRIVATE PURPOSE TRUST FUND  
YEAR ENDED JUNE 30, 2014**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Contributions and donations	\$ 100,000	\$ 100,000	\$ 53,166	\$ (46,834)
Investment earnings	-	-	1,011	1,011
<b>TOTAL REVENUES</b>	100,000	100,000	54,177	(45,823)
<b>EXPENDITURES:</b>				
Enterprise and community services	400,000	400,000	40,217	359,783
<b>NET CHANGE IN FUND BALANCE</b>	(300,000)	(300,000)	13,960	313,960
<b>FUND BALANCE, July 1, 2013</b>	300,000	300,000	250,402	(49,598)
<b>FUND BALANCE, June 30, 2014</b>	\$ -	\$ -	\$ 264,362	\$ 264,362

**RECONCILIATION TO GAAP BASIS:**

<b>FUND BALANCE, June 30, 2014</b>	\$ 264,362
Scholarships payable	(53,000)
<b>NET POSITION, June 30, 2014</b>	\$ 211,362

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**OTHER FINANCIAL SCHEDULES**

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**BEAVERTON SCHOOL DISTRICT  
REVENUE SUMMARY - ALL FUNDS  
YEAR ENDED JUNE 30, 2014**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 600	Fund 700	Total
<b>Local Sources</b>							
1111 Current year taxes	\$ 108,134,120	\$ -	\$ 48,770,466	\$ -	\$ -	\$ -	\$ 156,904,586
1112 Prior year taxes	1,793,948	-	805,724	-	-	-	2,599,672
1114 Payments in lieu of property taxes	21,671	-	8,669	-	-	-	30,340
1121 Current year local option levy	19,059,674	-	-	-	-	-	19,059,674
1122 Prior year local option levy	536	-	-	-	-	-	536
1130 Construction excise tax	-	-	-	2,407,510	-	-	2,407,510
1300 Tuition	1,816,146	-	-	-	-	-	1,816,146
1411 Fees - transportation	222,742	-	-	-	-	-	222,742
1510 Investment earnings	332,285	28,808	86,802	45,505	24,174	1,011	518,585
1600 Food service sales	-	4,137,738	-	-	-	-	4,137,738
1712 Admissions	280,505	-	-	-	-	-	280,505
1744 Fees - district events	1,349,735	-	-	-	-	-	1,349,735
1762 Fund raising	-	273,623	-	-	-	-	273,623
1790 Extracurricular activities	-	6,652,407	-	-	-	-	6,652,407
1912 Rentals	649,200	3,194	-	29,509	-	-	681,903
1920 Contributions	3,748	1,813,861	-	4,895,658	-	53,166	6,766,433
1951 Textbook sales	132	-	-	-	-	-	132
1960 Recovery of prior years' expenditures	27,547	9,386	-	121,439	264,207	-	422,579
1972 Services to other funds	-	-	12,594,515	-	3,119,016	-	15,713,531
1980 Fees charged to grants	399,962	-	-	-	-	-	399,962
1990 Miscellaneous	272,541	9,797	-	-	71,512	-	353,850
1994 Third party billing	308,416	-	-	-	-	-	308,416
1995 Proceeds from the sale of capital assets	2,411	-	-	-	-	-	2,411
Total local sources	<u>134,675,319</u>	<u>12,928,814</u>	<u>62,266,176</u>	<u>7,499,621</u>	<u>3,478,909</u>	<u>54,177</u>	<u>220,903,016</u>
<b>Intermediate Sources</b>							
2101 County school fund	1,048,951	-	-	-	-	-	1,048,951
2102 ESD apportionment	6,797,437	-	-	-	-	-	6,797,437
2199 Other intermediate sources	2,311,853	-	-	-	-	-	2,311,853
2200 Restricted revenue	-	229,730	-	-	-	-	229,730
Total intermediate sources	<u>10,158,241</u>	<u>229,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,387,971</u>
<b>State Sources</b>							
3101 State school fund	199,569,316	-	-	-	-	-	199,569,316
3102 State school fund match	-	129,788	-	-	-	-	129,788
3103 Common school fund	3,537,242	-	-	-	-	-	3,537,242
3199 Other unrestricted grants-in-aid	1,181,731	-	-	-	-	-	1,181,731
3299 Other restricted grants-in-aid	-	411,062	-	-	-	-	411,062
Total state sources	<u>204,288,289</u>	<u>540,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>204,829,139</u>
<b>Federal Sources</b>							
4300 Restricted direct from federal	-	902,809	-	-	-	-	902,809
4500 Restricted through state	-	21,158,839	-	-	-	-	21,158,839
4910 Commodities	-	817,548	-	-	-	-	817,548
Total federal sources	<u>-</u>	<u>22,879,196</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,879,196</u>
<b>Other Sources</b>							
5200 Transfers in	148,765	1,247,129	2,185,926	-	2,235,000	-	5,816,820
5300 Sale/compensation for loss of capital assets	-	-	-	767,803	-	-	767,803
Total other sources	<u>148,765</u>	<u>1,247,129</u>	<u>2,185,926</u>	<u>767,803</u>	<u>2,235,000</u>	<u>-</u>	<u>6,584,623</u>
<b>TOTAL REVENUES</b>	<u>\$ 349,270,614</u>	<u>\$ 37,825,719</u>	<u>\$ 64,452,102</u>	<u>\$ 8,267,424</u>	<u>\$ 5,713,909</u>	<u>\$ 54,177</u>	<u>\$ 465,583,945</u>



**BEAVERTON SCHOOL DISTRICT  
GENERAL FUND (100) EXPENDITURE SUMMARY  
YEAR ENDED JUNE 30, 2014**

Instruction	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	Total
1110 Elementary programs	\$ 48,050,724	\$ 25,814,628	\$ 108,227	\$ 1,941,146	\$ -	\$ 619	\$ -	\$ 75,915,344
1120 Middle school programs	22,209,154	11,560,366	72,869	523,620	-	495	-	34,366,504
1130 High school programs	30,885,297	15,571,223	697,936	1,135,395	6,000	36,732	-	48,332,583
1210 Talented and gifted programs	235,407	82,070	25,390	96,879	-	200	-	439,946
1220 Restrictive programs	9,703,525	7,214,955	1,515,638	35,961	-	-	-	18,470,079
1250 Resource rooms	6,224,609	3,413,355	-	-	-	-	-	9,637,964
1280 Alternative education	1,006,384	527,049	2,808,285	154,860	-	290	-	4,496,868
1290 Designated programs	11,202,345	6,077,818	591,001	120,824	-	97,331	-	18,089,319
1420 Summer school - middle school	16,768	4,978	5,406	1,317	-	-	-	28,469
1430 Summer school - high school	131,339	39,607	15,125	4,451	-	-	-	190,522
1460 Summer school programs	107,267	30,140	11,558	475	-	-	-	149,440
1490 Other summer school	1,139	332	308	3	-	-	-	1,782
Total instruction	129,773,958	70,336,521	5,851,743	4,014,931	6,000	135,667	-	210,118,820
Support services								
2110 Attendance and social work services	994,864	878,757	94,494	38,607	-	260	-	2,006,982
2120 Guidance services	5,802,030	3,246,170	17,058	47,854	-	160	-	9,113,272
2130 Health services	1,064,413	618,943	9,854	13,296	-	-	-	1,706,506
2140 Psychological services	2,006,578	980,322	5,170	24,860	-	-	-	3,016,930
2150 Speech pathology and audiology services	2,524,034	1,259,093	1,565	30,907	-	1,600	-	3,817,199
2190 Service direction - student support services	1,815,321	886,208	330,142	140,019	-	111,965	-	3,283,655
2210 Improvement of instruction services	1,355,653	546,285	38,870	25,450	-	67,912	-	2,034,170
2220 Educational media services	1,724,992	1,236,332	13,348	371,584	-	200	-	3,346,456
2230 Assessment and testing	244,961	183,506	10,652	221,940	-	-	-	661,059
2240 Instructional staff development	273,746	789,305	65,545	26,044	-	41,551	-	1,196,191
2310 Board of education services	-	-	74,913	9,150	-	20,116	-	104,179
2320 Executive administration services	737,654	366,331	152,653	108,344	-	17,227	-	1,382,209
2410 Office of the principal services	13,872,532	7,821,002	85,918	242,237	-	7,446	-	22,029,135
2490 Other support services - school administration	1,093,202	542,611	20,695	4,727	-	1,150	-	1,662,385
2510 Direction of business support services	142,680	65,714	17,002	32,560	-	4,039	-	261,995
2520 Fiscal services	930,811	508,679	100,484	34,519	-	10,064	-	1,584,557
2540 Operation and maintenance of plant services	9,176,798	5,842,369	7,664,143	1,435,180	267,501	14,046	-	24,400,037
2550 Student transportation services	7,879,615	6,390,098	296,727	2,125,790	8,398	1,120	-	16,701,748
2570 Internal services	393,707	249,111	575,314	62,583	-	897	-	1,281,612
2620 Planning and development services	250,484	127,546	6,789	17,993	-	-	-	402,812
2630 Information services	292,621	151,766	36,374	18,295	-	984	-	500,040
2640 Staff services	1,222,595	633,556	260,838	74,405	-	3,040	-	2,194,434
2660 Technology services	2,928,629	1,597,926	2,106,320	1,230,534	255,739	1,819	-	8,120,967
Total support services	56,727,920	34,921,630	11,984,868	6,336,878	531,638	305,596	-	110,808,530
Facilities acquisition and construction								
4110 Service area direction	-	-	11,375	4,483	6,323	250	-	22,431
Other uses								
5200 Transfers of funds	-	-	-	-	-	-	4,527,042	4,527,042
<b>TOTAL EXPENDITURES</b>	<b>\$ 186,501,878</b>	<b>\$ 105,258,151</b>	<b>\$ 17,847,986</b>	<b>\$ 10,356,292</b>	<b>\$ 543,961</b>	<b>\$ 441,513</b>	<b>\$ 4,527,042</b>	<b>\$ 325,476,823</b>

**BEAVERTON SCHOOL DISTRICT  
SPECIAL REVENUE FUNDS (200) EXPENDITURE SUMMARY  
YEAR ENDED JUNE 30, 2014**

Instruction	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	Total
1110 Elementary programs	\$ 45,398	\$ 10,262	\$ 85,728	\$ 996,831	\$ 12,165	\$ -	\$ -	\$ 1,150,384
1120 Middle school programs	73,443	18,867	58,252	889,231	-	824	-	1,040,617
1130 High school programs	186,442	37,158	152,519	5,099,986	-	19,192	-	5,495,277
1210 Programs for talented & gifted	-	-	-	2,697	-	-	-	2,697
1220 Restrictive programs	1,471,249	852,149	361,073	17,962	-	10	-	2,702,443
1250 Resource rooms	557,849	313,218	-	-	-	-	-	871,067
1270 Educationally disadvantaged	3,027,007	1,571,877	191,513	359,711	-	139	-	5,150,247
1280 Alternative education	10,792	2,611	12,213	11,042	-	-	-	36,658
1290 Designated programs	232,780	99,665	141,264	129,040	8,495	537	-	611,781
1430 Summer School - high school	1,895	562	-	-	-	-	-	2,457
1490 Other summer school	232,016	67,476	29,569	21,395	-	-	-	350,456
Total instruction	5,838,851	2,973,845	1,032,131	7,527,895	20,660	20,702	-	17,414,084
Support services								
2110 Attendance and social work services	93,807	59,041	22,726	3,421	-	15	-	179,010
2120 Guidance services	117,192	56,816	-	185	-	-	-	174,193
2140 Psychological services	65,704	35,900	-	-	-	-	-	101,604
2150 Speech pathology and audiology services	587,131	331,520	-	-	-	-	-	918,651
2190 Service direction - student support services	267,695	118,021	417,857	2,345	-	-	-	805,918
2210 Improvement of instruction services	488,345	174,314	648,999	83,482	-	-	-	1,395,140
2220 Educational media services	376	117	29,395	52,289	-	-	-	82,177
2230 Assessment and testing	-	-	-	31,805	-	-	-	31,805
2240 Instructional staff development	933,830	345,376	82,947	80,326	-	3,386	-	1,445,865
2320 Executive administration services	-	-	35,959	57	-	-	-	36,016
2410 Office of the principal services	7,648	2,290	1,014	22,300	7,495	99	-	40,846
2520 Fiscal services	7,393	3,543	-	-	-	399,962	-	410,898
2540 Operation and maintenance of plant services	-	-	20,846	9,695	11,177	-	-	41,718
2570 Internal services	-	-	192,386	3,903	28,485	-	-	224,774
2620 Planning and development services	9,423	1,280	-	-	-	-	-	10,703
2630 Information services	-	-	-	12,726	-	-	-	12,726
2640 Staff services	149,808	72,635	-	57	-	685	-	223,185
2660 Technology services	-	-	92,700	253,065	128,548	-	-	474,313
2700 Supplemental retirement program	668,800	95,312	-	-	-	-	-	764,112
Total support services	3,397,152	1,296,165	1,544,829	555,656	175,705	404,147	-	7,373,654
Enterprise and community services								
3110 Service area direction	778,190	416,073	19,348	835,320	-	1,429	-	2,050,360
3120 Food preparation and dispensing services	2,889,019	2,241,284	82,976	4,961,594	-	1,808	-	10,176,681
3140 Food services - summer school	128,479	38,235	3,579	164,642	-	-	-	334,935
3190 Other food services	-	-	-	18,447	-	-	-	18,447
3360 Welfare activities services	13,427	1,501	4,150	1,517	-	-	-	20,595
3370 Nonpublic school students	23,849	13,033	-	-	-	-	-	36,882
3390 Other community services	47,865	27,052	674	1,393	-	20	-	77,004
Total enterprise and community services	3,880,829	2,737,178	110,727	5,982,913	-	3,257	-	12,714,904
Facilities acquisition and construction								
4150 Building acquisition, construction, and improvement services	225,985	112,041	68,892	5,393	247,156	3,096	-	662,563
Other uses								
5200 Transfers of funds	-	-	-	-	-	-	39,300	39,300
<b>TOTAL EXPENDITURES</b>	<b>\$ 13,342,817</b>	<b>\$ 7,119,229</b>	<b>\$ 2,756,579</b>	<b>\$ 14,071,857</b>	<b>\$ 443,521</b>	<b>\$ 431,202</b>	<b>\$ 39,300</b>	<b>\$ 38,204,505</b>

BEAVERTON SCHOOL DISTRICT  
 DEBT SERVICE FUND (300) EXPENDITURE SUMMARY  
 YEAR ENDED JUNE 30, 2014

	Object 300	Object 600	Total
Other Uses			
5110 Debt Service	\$ -	\$ 64,995,787	\$ 64,995,787

**BEAVERTON SCHOOL DISTRICT  
CAPITAL PROJECTS FUND (400) EXPENDITURE SUMMARY  
YEAR ENDED JUNE 30, 2014**

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	Total
Facilities acquisition and construction								
4110 Service area direction	\$ 183,544	\$ 70,487	\$ 3,750	\$ -	\$ -	\$ -	\$ -	\$ 257,781
4150 Building acquisition, construction, and improvement services	-	-	2,196,309	40,942	13,339,561	89,210	-	15,666,022
Total facilities acquisition and construction	183,544	70,487	2,200,059	40,942	13,339,561	89,210	-	15,923,803
Other uses								
5200 Transfers of funds	-	-	-	-	-	-	1,101,713	1,101,713
<b>TOTAL EXPENDITURES</b>	<b>\$ 183,544</b>	<b>\$ 70,487</b>	<b>\$ 2,200,059</b>	<b>\$ 40,942</b>	<b>\$ 13,339,561</b>	<b>\$ 89,210</b>	<b>\$ 1,101,713</b>	<b>\$ 17,025,516</b>

**BEAVERTON SCHOOL DISTRICT  
INTERNAL SERVICE FUND (600) EXPENDITURE SUMMARY  
YEAR ENDED JUNE 30, 2014**

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	Total
<b>Support services</b>								
2320 Executive administration services	\$ 50,272	\$ 20,467	\$ 119,058	\$ -	\$ -	\$ -	\$ -	\$ 189,797
2550 Student transportation services	2,964	3,037	-	-	-	-	-	6,001
2640 Staff services	118,423	66,129	69,057	-	-	-	-	253,609
2690 Other support services	344,402	152,594	204,802	64,011	-	2,823,447	-	3,589,256
Total support services	516,061	242,227	392,917	64,011	-	2,823,447	-	4,038,663
<b>Other Uses</b>								
5200 Transfers of funds	-	-	-	-	-	-	148,765	148,765
<b>TOTAL EXPENDITURES</b>	<b>\$ 516,061</b>	<b>\$ 242,227</b>	<b>\$ 392,917</b>	<b>\$ 64,011</b>	<b>\$ -</b>	<b>\$ 2,823,447</b>	<b>\$ 148,765</b>	<b>\$ 4,187,428</b>

**BEAVERTON SCHOOL DISTRICT  
 FIDUCIARY FUND (700) EXPENDITURE SUMMARY (NON-GAAP BASIS)  
 YEAR ENDED JUNE 30, 2014**

	Object 300	Object 400	Total
Enterprise and community services			
3390 Other community services	\$ 23,082	\$ 17,135	\$ 40,217

**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF PROPERTY TAX TRANSACTIONS  
YEAR ENDED JUNE 30, 2014**

	<u>Tax Year</u>	<u>Uncollected July 1, 2013</u>	<u>Levy as Extended by Assessor</u>	<u>Discounts Allowed</u>	<u>Interest</u>	<u>Adjustments</u>	<u>Collections</u>	<u>Uncollected June 30, 2014</u>
<b><u>GENERAL FUND</u></b>								
Current	2013-14	\$ -	\$ 132,687,032	\$ (3,495,779)	\$ 35,310	\$ (362,430)	\$ (126,232,427)	\$ 2,631,706
Prior	2012-13	2,281,621	-	(10,888)	76,064	(49,369)	(1,194,549)	1,102,879
	2011-12	1,153,273	-	109	65,845	24,923	(443,213)	800,937
	2010-11	849,078	-	17	85,514	28,463	(408,784)	554,288
	2009-10	508,086	-	17	36,715	(23,017)	(131,834)	389,967
	2008-09	52,036	-	6	7,563	(10,379)	(22,200)	27,026
	2007-08 & prior	86,436	-	-	7,897	(26,265)	(21,170)	46,898
	Rounding adjustments	-	-	-	-	370	(370)	-
Total prior		<u>4,930,530</u>	<u>-</u>	<u>(10,739)</u>	<u>279,598</u>	<u>(55,274)</u>	<u>(2,222,120)</u>	<u>2,921,995</u>
<b>TOTAL GENERAL FUND</b>		<b><u>\$ 4,930,530</u></b>	<b><u>\$ 132,687,032</u></b>	<b><u>\$ (3,506,518)</u></b>	<b><u>\$ 314,908</u></b>	<b><u>\$ (417,704)</u></b>	<b><u>\$ (128,454,547)</u></b>	<b><u>\$ 5,553,701</u></b>
<b><u>DEBT SERVICE FUND</u></b>								
Current	2013-14	\$ -	\$ 50,873,201	\$ (1,340,308)	\$ 13,538	\$ (138,958)	\$ (48,398,457)	\$ 1,009,016
Prior	2012-13	1,014,448	-	(4,841)	33,819	(21,950)	(531,117)	490,359
	2011-12	532,699	-	50	30,414	11,512	(204,721)	369,954
	2010-11	378,732	-	8	38,144	12,695	(182,338)	247,241
	2009-10	236,988	-	8	17,125	(10,735)	(61,492)	181,894
	2008-09	20,738	-	2	3,014	(4,136)	(8,847)	10,771
	2007-08 & prior	31,728	-	-	3,434	(5,563)	(9,206)	20,393
	Rounding adjustments	-	-	-	-	(242)	242	-
Total prior		<u>2,215,333</u>	<u>-</u>	<u>(4,773)</u>	<u>125,950</u>	<u>(18,419)</u>	<u>(997,479)</u>	<u>1,320,612</u>
<b>TOTAL DEBT SERVICE FUND</b>		<b><u>\$ 2,215,333</u></b>	<b><u>\$ 50,873,201</u></b>	<b><u>\$ (1,345,081)</u></b>	<b><u>\$ 139,488</u></b>	<b><u>\$ (157,377)</u></b>	<b><u>\$ (49,395,936)</u></b>	<b><u>\$ 2,329,628</u></b>

**BEAVERTON SCHOOL DISTRICT  
 SUPPLEMENTAL INFORMATION AS REQUIRED  
 BY THE OREGON DEPARTMENT OF EDUCATION  
 YEAR ENDED JUNE 30, 2014**

**A Energy Bill for Heating - All Funds:**  
 Please enter your expenditures for electricity  
 & heating fuel for these Functions & Objects.

	Objects 325 & 326
Function 2540	\$ 4,223,006
Function 2550	-

**B Replacement of Equipment - General Fund:**

Include all General Fund expenditures in Object 542, except for the following exclusions:

Exclude these functions:

1113,1122 & 1132 Co-curricular Activities  
 1140 Pre-Kindergarten  
 1300 Continuing Education  
 1400 Summer School

Exclude these functions:

2550 Pupil Transportation  
 3100 Food Service  
 3300 Community Services  
 4150 Construction

\$	-
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# Statistical Section





## STATISTICAL SECTION OVERVIEW

This section provides further details as a context for a better understanding of the financial statements.

<b>Contents</b>	<b>Page</b>
Financial Trends These schedules contain trend information to help the reader understand how financial performance has changed over time.	115
Revenue Capacity These schedules contain information to help the reader assess the Beaverton School District's most significant local revenue sources, state school fund and property taxes.	122
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the ability to issue additional debt in the future.	126
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.	129
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	131

Sources: The information in these schedules is derived from the comprehensive annual financial reports for fiscal years ended June 30, 2004-13, unless otherwise noted. Beaverton School District implemented GASB Statement 44 in fiscal year 2006 and implemented GASB Statement 63 in Fiscal Year 2013.

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**BEAVERTON SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities										
Net investment in capital assets	\$ 251,817,765	\$ 218,858,636	\$ 210,353,998	\$ 188,502,503	\$ 168,112,175	\$ 152,810,342	\$ 129,859,453	\$ 113,625,361	\$ 95,062,500	\$ 65,783,381
Restricted	5,266,089	5,322,870	6,435,958	5,433,174	7,007,695	2,403,428	5,994,773	5,877,081	6,562,852	5,351,360
Unrestricted	1,484,312	(18,189,260)	(12,888,743)	5,544,039	17,131,784	15,908,625	23,913,941	39,758,965	52,748,376	69,831,853
Total primary government net position	\$ 258,568,166	\$ 205,992,246	\$ 203,901,213	\$ 199,479,716	\$ 192,251,654	\$ 171,122,395	\$ 159,708,167	\$ 159,261,407	\$ 154,373,728	\$ 140,966,594

**BEAVERTON SCHOOL DISTRICT  
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE  
LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Expenses</b>										
Governmental activities:										
Regular programs	\$ 171,453,815	\$ 155,558,206	\$ 165,967,152	\$ 155,823,545	\$ 147,327,559	\$ 140,652,507	\$ 139,998,945	\$ 131,244,534	\$ 127,935,548	\$ 117,748,753
Special programs	62,155,870	61,313,169	58,727,067	58,135,083	55,074,926	52,117,226	53,781,655	46,411,445	43,377,052	39,227,850
Summer school programs	746,800	361,380	424,405	462,055	321,879	779,413	705,112	449,093	343,300	242,194
Students support services	25,864,345	24,276,743	25,290,719	24,318,965	23,424,865	22,610,312	22,499,120	19,532,229	17,613,338	16,966,790
Instructional staff support	10,435,278	9,523,879	14,046,573	16,324,138	15,908,765	20,347,527	19,634,716	19,224,287	15,404,364	10,952,671
General administration support	1,560,440	1,452,533	1,453,474	1,527,173	1,563,192	1,832,985	1,424,567	1,368,558	1,356,456	1,246,810
School administration	24,474,041	23,328,668	22,895,754	22,373,286	22,098,423	23,114,665	23,208,163	21,364,187	18,740,016	16,693,789
Business support services	46,057,995	44,054,090	43,878,022	44,761,271	45,919,247	45,243,492	44,903,541	39,716,079	37,829,661	36,230,408
Central activities support	16,829,201	15,898,939	15,304,425	16,137,172	14,583,749	14,509,009	14,976,455	12,136,465	11,531,533	9,188,418
Supplemental retirement	796,395	1,364,077	712,529	85,307	82,494	179,037	-	487,566	1,366,735	922,885
Nutrition services	12,763,646	12,801,512	12,620,976	12,590,877	12,178,818	11,898,361	11,984,452	10,878,879	10,171,307	9,989,142
Community services	138,592	128,385	67,660	140,908	120,909	130,491	112,324	106,333	139,645	126,210
Custody and care of children services	-	-	37,544	37,083	90,857	86,772	87,337	80,725	79,169	65,708
Facilities Services	-	-	-	1,332,465	1,100,757	585,880	-	-	-	-
Interest on long-term debt	16,163,540	35,719,584	24,764,671	24,552,195	26,185,245	24,991,499	25,316,093	22,701,185	23,267,733	21,288,330
<b>Total primary government expenses</b>	<b>389,439,958</b>	<b>385,781,165</b>	<b>386,190,971</b>	<b>378,601,523</b>	<b>365,981,685</b>	<b>359,079,176</b>	<b>358,632,480</b>	<b>325,701,565</b>	<b>309,155,857</b>	<b>280,889,958</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
Instruction	10,098,793	10,003,939	9,571,654	9,341,231	8,222,022	1,014,574	1,108,135	1,361,346	1,085,648	1,540,343
Support services	904,645	878,076	821,016	841,385	1,405,269	1,791,522	1,083,008	624,570	89,677	81,664
Enterprise and community services	4,137,738	4,335,594	4,690,877	4,736,978	4,894,440	5,054,123	5,332,832	5,159,982	5,233,973	5,523,185
Operating grants and contributions	29,592,463	26,430,911	28,815,557	45,694,904	41,722,109	30,898,351	22,888,821	20,038,967	20,474,626	21,629,614
Capital grants and contributions	-	-	-	560,751	1,384,570	5,933,674	993,093	3,085,597	861,888	83,783
Total primary government program revenues	44,733,639	41,648,520	43,899,104	61,175,249	57,628,410	44,692,244	31,405,889	30,290,462	27,745,812	28,858,589
<b>Net (Expense)/Revenue</b>										
Total primary government net expense	\$ (344,706,319)	\$ (344,132,645)	\$ (342,291,867)	\$ (317,426,274)	\$ (308,353,275)	\$ (314,386,932)	\$ (327,226,591)	\$ (295,411,103)	\$ (281,410,045)	\$ (252,031,369)

Note: Fiscal year 2013 net position was restated due to GASB 65.

**BEAVERTON SCHOOL DISTRICT  
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION  
LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Net (Expense)/Revenue</b>										
Total primary government net expense	\$ (344,706,319)	\$ (344,132,645)	\$ (342,291,867)	\$ (317,426,274)	\$ (308,353,275)	\$ (314,386,932)	\$ (327,226,591)	\$ (295,411,103)	\$ (281,410,045)	\$ (252,031,369)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes levied for general purposes	110,583,679	106,074,191	104,258,668	100,540,188	97,635,238	94,730,145	89,855,636	85,231,015	81,140,182	76,679,466
Local option taxes levied for general purposes	19,060,210	-	-	32	10,757	39,316	54,801	263,290	21,111,336	290,906
Property taxes levied for debt service	49,732,072	47,152,740	48,141,562	44,848,328	45,541,764	37,766,753	39,095,179	28,975,739	30,785,798	31,022,313
Construction excise tax	2,407,510	1,863,969	1,157,042	1,180,614	1,343,893	1,113,898	313,311	-	-	-
State school fund	199,569,316	172,475,674	167,737,344	157,658,272	164,168,392	171,866,019	173,257,834	162,075,476	141,588,593	130,056,624
Common school fund	3,537,242	3,655,130	3,262,020	3,419,944	3,487,822	2,833,379	3,757,889	3,247,263	2,877,013	2,535,781
Unrestricted state and local sources	12,110,552	8,490,373	17,833,330	11,638,640	9,902,461	12,158,536	10,433,342	7,932,886	6,894,581	6,155,175
Earnings on investments	517,574	503,144	617,642	790,559	614,622	3,444,218	9,631,356	1,424,131	6,320,153	5,212,090
Gain on sale of capital asset	767,803	-	-	-	-	-	-	-	-	-
Miscellaneous	1,760,973	3,243,765	3,705,756	4,577,759	4,737,257	1,848,896	1,274,003	11,148,982	4,099,523	2,711,758
Total primary government	400,046,931	343,458,986	346,713,364	324,654,336	327,442,206	325,801,160	327,673,351	300,298,782	294,817,179	254,664,113
<b>Change in Net Position</b>										
Total primary government	\$ 55,340,612	\$ (673,659)	\$ 4,421,497	\$ 7,228,062	\$ 19,088,931	\$ 11,414,228	\$ 446,760	\$ 4,887,679	\$ 13,407,134	\$ 2,632,744

Note: Fiscal year 2013 net position was restated due to GASB 65.



**BEAVERTON SCHOOL DISTRICT  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

*(modified accrual basis of accounting)*

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund										
Unreserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,182,975	\$ 9,708,337	\$ 16,311,004	\$ 26,750,246	\$ 34,874,198
Non-spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	789,822	969,517	1,612,745	1,362,113	1,688,104	-	-	-	-	-
Unassigned	31,344,339	7,550,548	7,969,481	20,156,857	26,486,138	-	-	-	-	-
<b>Total general fund</b>	<b>\$ 32,134,161</b>	<b>\$ 8,520,065</b>	<b>\$ 9,582,226</b>	<b>\$ 21,518,970</b>	<b>\$ 26,486,138</b>	<b>\$ 17,182,975</b>	<b>\$ 9,708,337</b>	<b>\$ 16,311,004</b>	<b>\$ 26,750,246</b>	<b>\$ 34,874,198</b>
All Other Governmental Funds										
Reserved for inventories	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 211,032	\$ 178,613
Unreserved, reported in:										
Debt service fund	-	-	-	-	-	2,403,428	5,934,773	5,877,081	6,562,852	5,351,360
Capital projects funds	-	-	-	-	-	72,864,172	80,339,282	150,332,989	13,016,390	50,922,847
Special revenue funds	-	-	-	-	-	13,812,287	20,345,523	26,640,016	23,150,903	21,948,289
Non-spendable	391,594	346,922	363,240	395,505	383,175	-	-	-	-	-
Restricted	4,679,163	15,246,617	21,458,042	23,776,761	36,964,939	-	-	-	-	-
Committed	9,507,482	8,485,568	8,130,111	11,417,612	10,165,139	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 14,578,239</b>	<b>\$ 24,079,107</b>	<b>\$ 29,951,393</b>	<b>\$ 35,589,878</b>	<b>\$ 49,201,357</b>	<b>\$ 89,079,887</b>	<b>\$ 106,619,578</b>	<b>\$ 182,850,086</b>	<b>\$ 42,941,177</b>	<b>\$ 78,401,109</b>

**Note:** GASB Statement No. 54 was implemented in fiscal year 2011. Fiscal year 2010 balances were restated.

**BEAVERTON SCHOOL DISTRICT  
GOVERNMENTAL FUNDS REVENUES  
LAST TEN FISCAL YEARS**

*(modified accrual basis of accounting)*

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Federal sources:										
Federal grants	\$ 14,572,186	\$ 15,786,503	\$ 18,209,732	\$ 36,055,519	\$ 32,479,021	\$ 22,966,422	\$ 15,402,495	\$ 13,816,650	\$ 14,641,622	\$ 13,762,221
Food services	8,307,010	8,100,523	8,253,743	7,890,362	7,315,965	6,476,041	5,947,121	5,476,602	5,061,998	4,808,336
Total federal sources	<u>22,879,196</u>	<u>23,887,026</u>	<u>26,463,475</u>	<u>43,945,881</u>	<u>39,794,986</u>	<u>29,442,463</u>	<u>21,349,616</u>	<u>19,293,252</u>	<u>19,703,620</u>	<u>18,570,557</u>
State and intermediate sources:										
State school support	201,133,195	174,134,811	178,776,160	164,851,674	170,175,911	182,178,041	176,212,759	166,196,365	142,052,184	129,714,366
Common school fund	3,537,242	3,655,130	3,262,020	126,639	124,261	2,833,379	3,757,889	3,247,263	2,877,013	2,535,780
Nutrition services	158,702	163,368	150,503	150,503	152,866	126,938	133,309	133,309	131,728	133,102
Other	10,387,971	6,687,868	6,644,011	8,148,791	8,490,207	7,653,250	8,287,664	6,764,285	5,201,625	5,487,010
Total state and intermediate sources	<u>215,217,110</u>	<u>184,641,177</u>	<u>188,832,694</u>	<u>173,277,607</u>	<u>178,943,245</u>	<u>192,791,608</u>	<u>188,391,621</u>	<u>176,341,222</u>	<u>150,262,550</u>	<u>137,870,258</u>
Local sources:										
Ad valorem taxes	159,534,598	153,682,815	150,618,996	145,659,724	142,849,247	131,218,334	128,162,210	114,187,597	113,729,273	110,140,999
Local option levy	19,060,210	989	1,233	32	10,757	39,316	54,801	263,290	21,111,336	-
Food service sales	4,137,738	4,335,594	4,642,615	4,690,790	4,804,659	4,952,460	5,256,072	5,155,080	5,155,262	5,458,185
Interest and other income	33,485,753	27,556,044	26,936,013	25,942,763	25,114,830	9,510,706	14,578,333	14,208,913	21,743,467	9,444,129
Other revenues	1,151,631	2,071,823	3,179,995	4,100,831	4,136,871	11,021,749	9,704,797	17,071,530	1,474,718	1,687,007
Total local sources	<u>217,369,930</u>	<u>187,647,265</u>	<u>185,378,852</u>	<u>180,394,140</u>	<u>176,916,364</u>	<u>156,742,565</u>	<u>157,756,213</u>	<u>150,886,410</u>	<u>163,214,056</u>	<u>126,730,320</u>
Total revenues	<u>\$ 455,466,236</u>	<u>\$ 396,175,468</u>	<u>\$ 400,675,021</u>	<u>\$ 397,617,628</u>	<u>\$ 395,654,595</u>	<u>\$ 378,976,636</u>	<u>\$ 367,497,450</u>	<u>\$ 346,520,884</u>	<u>\$ 333,180,226</u>	<u>\$ 283,171,135</u>

**BEAVERTON SCHOOL DISTRICT  
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO  
LAST TEN FISCAL YEARS**

*(modified accrual basis of accounting)*

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Instruction	\$ 227,532,904	\$ 207,207,837	\$ 218,652,203	\$ 209,144,733	\$ 196,896,644	\$ 188,542,067	\$ 188,329,573	\$ 176,790,381	\$ 166,708,094	\$ 148,860,060
Pupil personnel services	25,123,920	23,332,596	24,593,504	23,722,270	22,768,827	22,134,153	21,848,902	19,387,314	17,327,799	16,934,964
Instructional media services	3,428,633	3,403,331	6,737,873	7,052,598	7,046,696	7,172,032	7,146,052	7,254,632	6,392,841	6,260,522
Instruction and curriculum development services	4,122,174	3,280,985	3,060,568	4,933,657	4,825,938	7,567,589	8,842,212	9,353,046	5,362,684	3,042,110
Instructional staff training	2,642,056	2,475,496	3,787,847	3,934,336	3,630,603	5,125,872	3,125,866	2,553,112	3,418,579	1,631,324
Board of education	104,179	166,447	131,476	177,570	105,529	275,864	184,538	172,757	124,018	133,601
General administration	1,423,055	1,236,521	1,284,038	1,317,619	1,420,229	1,522,419	1,203,654	1,196,802	1,215,448	1,111,301
School administration	23,727,536	22,394,165	22,225,585	21,808,208	21,439,584	22,682,452	22,462,904	21,228,944	18,406,389	16,644,872
Fiscal services	2,257,450	2,057,740	2,276,466	2,499,882	2,631,837	2,948,368	2,336,876	2,685,069	1,921,401	1,866,135
Central services	13,445,566	12,643,189	12,684,917	12,809,288	14,755,944	15,294,568	13,927,923	10,898,286	10,746,320	10,168,642
Pupil transportation services	16,701,748	15,830,750	15,648,651	17,251,379	15,049,227	17,079,625	17,112,898	15,326,487	13,195,270	12,064,717
Operation and maintenance of plant	24,441,755	23,399,588	23,506,371	22,836,444	23,201,941	23,507,619	23,653,905	22,377,493	22,959,195	20,545,643
Supplemental retirement	764,112	1,291,171	704,595	85,019	81,193	-	-	500,000	1,160,000	901,565
Community services	12,714,904	12,715,302	12,554,327	12,572,108	12,235,486	12,010,508	12,047,652	11,170,622	10,520,259	10,077,303
Capital outlay										
Facilities acquisition/construction	16,608,797	6,889,659	5,679,030	15,507,726	42,237,995	82,949,169	78,045,230	21,846,308	54,214,334	20,142,844
Other capital outlay	-	-	-	-	-	-	-	-	4,328	-
Debt service										
Principal	45,375,306	41,348,283	38,323,249	33,994,798	29,744,444	27,335,773	22,480,622	22,434,588	20,145,000	22,395,000
Interest	19,620,481	22,468,382	24,746,840	26,637,751	28,548,173	26,076,306	29,254,294	21,105,620	21,545,175	14,229,248
Bond issuance costs	-	1,013,347	281,899	-	-	-	-	-	272,879	2,156,265
Total expenditures	<u>\$ 440,034,576</u>	<u>\$ 403,154,789</u>	<u>\$ 416,879,439</u>	<u>\$ 416,285,386</u>	<u>\$ 426,620,290</u>	<u>\$ 462,224,384</u>	<u>\$ 452,003,101</u>	<u>\$ 366,281,461</u>	<u>\$ 375,640,014</u>	<u>\$ 309,166,117</u>
Expenditures for capital assets	\$ 15,481,603	\$ 7,199,924	\$ 6,305,864	\$ 14,370,060	\$ 41,748,748	\$ 86,305,084	\$ 79,848,844	\$ 23,776,623	\$ 56,029,870	\$ 21,873,413
Debt service as a percentage of noncapital expenditures	15.31%	16.12%	15.36%	15.09%	15.15%	14.21%	13.90%	12.71%	13.13%	13.50%

**BEAVERTON SCHOOL DISTRICT  
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES,  
GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**  
*(modified accrual basis of accounting)*

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Excess of revenues over (under) expenditures</b>	\$ 15,431,660	\$ (6,979,321)	\$ (16,204,418)	\$ (18,667,758)	\$ (30,965,695)	\$ (83,247,748)	\$ (84,505,651)	\$ (23,448,224)	\$ (42,459,788)	\$ (25,994,981)
<b>Other Financing Sources (Uses)</b>										
Sale of or compensation for loss of capital assets	767,803	6,312	-	-	-	-	-	-	-	-
General long-term debt issued	-	-	-	-	-	-	-	-	-	332,627,545
Transfers in	2,373,991	3,177,796	6,929,535	4,377,445	6,412,278	18,422,773	11,063,733	6,484,832	9,855,761	8,734,822
Transfers out	(4,460,226)	(4,177,796)	(8,564,535)	(6,132,445)	(8,062,278)	(19,622,773)	(12,083,733)	(7,684,832)	(11,255,761)	(10,134,822)
Capital leases	-	-	-	1,844,111	-	2,837,449	2,692,476	2,536,141	-	-
Issuance of debt	-	-	-	-	-	65,460,000	-	149,090,000	-	-
PERS UAL lump sum payment	-	-	-	-	-	-	-	-	-	(188,467,154)
Premium on long-term debt issued	-	-	-	-	-	3,355,265	-	2,491,750	-	-
Refunding bonds issued	-	159,400,000	42,175,000	-	-	-	-	-	49,470,000	-
Bond premium	-	20,961,752	5,668,811	-	-	-	-	-	3,342,941	-
Bond refunding principal	-	(158,885,000)	(44,210,000)	-	-	-	-	-	(49,040,000)	(133,275,000)
Bond refunding interest	-	(20,457,751)	(3,350,061)	-	-	-	-	-	(3,497,037)	(8,725,729)
<b>Total other financing sources (uses)</b>	<b>(1,318,432)</b>	<b>25,313</b>	<b>(1,351,250)</b>	<b>89,111</b>	<b>(1,650,000)</b>	<b>70,452,714</b>	<b>1,672,476</b>	<b>152,917,891</b>	<b>(1,124,096)</b>	<b>759,662</b>
<b>Net change in fund balances</b>	<b>\$ 14,113,228</b>	<b>\$ (6,954,008)</b>	<b>\$ (17,555,668)</b>	<b>\$ (18,578,647)</b>	<b>\$ (32,615,695)</b>	<b>\$ (12,795,034)</b>	<b>\$ (82,833,175)</b>	<b>\$ 129,469,667</b>	<b>\$ (43,583,884)</b>	<b>\$ (25,235,319)</b>

**BEAVERTON SCHOOL DISTRICT  
 ASSESSED VALUE AND REAL MARKET VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS**

Fiscal Year	Assessed Value		Total Taxable Value	Total Direct Rate <sup>a</sup>	Real Market Value		Total Real Market Value	Assessed Value as a percentage of RMV
	Residential Property	Personal Property			Residential Property	Personal Property		
2014	\$ 23,358,556,710	\$ 756,361,921	\$ 24,114,918,631	\$ 8.054	\$ 30,645,539,168	\$ 756,361,921	\$ 31,401,901,089	76.79 %
2013	22,579,021,200	742,141,580	23,321,162,780	6.775	28,888,144,155	742,141,580	29,630,285,735	78.71
2012	21,897,521,030	719,492,406	22,617,013,436	6.860	29,322,657,487	719,492,406	30,042,149,893	75.28
2011	21,269,293,890	698,324,971	21,967,618,861	6.784	30,622,355,726	698,324,971	31,320,680,697	70.14
2010	20,647,926,140	694,175,279	21,342,101,419	6.879	32,405,737,871	694,175,279	33,099,913,150	64.48
2009	19,879,698,122	756,844,311	20,636,542,433	6.564	34,596,844,797	756,844,311	35,353,689,108	58.37
2008	18,840,746,410	714,828,590	19,555,575,000	6.736	33,577,338,341	714,828,590	34,292,166,931	57.03
2007	17,890,649,550	677,600,693	18,568,250,243	6.290	30,455,125,534	677,600,693	31,132,726,227	59.64
2006	16,966,445,698	656,320,613	17,622,766,311	7.976	24,457,151,531	656,328,649	25,113,480,180	70.17
2005	16,072,163,801	676,100,709	16,748,264,510	6.597	22,023,686,581	676,100,709	22,699,787,290	73.78

<sup>a</sup> Per \$1,000 of assessed value.

Source: Washington County Dept. of Assessment & Taxation

**BEAVERTON SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS**

*(rate per \$1,000 of assessed value)*

Fiscal Year	District Direct Rates			Overlapping Rates											NW Regional ESD		
	General Purposes	Local Option	Bonds	Total	Portland Community College	City of Hillsboro	City of Portland	City of Tigard	Tualatin Hills Park & Recreation	Tualatin Valley Fire & Rescue	City of Beaverton	Washington County	Metro Service District	Tri-Met		Port of Portland	Multnomah County
2014	\$ 4.693	\$ 1.25	\$ 2.111	\$ 8.054	\$ 0.734	\$ 5.387	\$ 7.980	\$ 3.376	\$ 1.728	\$ 1.906	\$ 4.376	\$ 2.968	\$ 0.467	\$ -	\$ 0.070	\$ 4.511	\$ 0.154
2013	4.693	-	2.082	6.775	0.665	7.541	7.363	6.350	1.730	1.915	4.238	2.970	0.404	-	0.070	5.424	0.154
2012	4.693	-	2.167	6.860	0.598	6.464	7.688	3.795	1.739	1.930	4.179	2.974	0.315	0.058	0.070	5.440	0.154
2011	4.693	-	2.091	6.784	0.636	5.387	7.808	2.722	1.743	1.883	4.203	2.980	0.409	0.088	0.070	5.385	0.154
2010	4.693	-	2.186	6.879	0.633	5.387	7.824	2.727	1.734	1.895	4.199	2.984	0.437	0.086	0.070	5.403	0.154
2009	4.693	-	1.871	6.564	0.503	5.387	7.392	2.688	1.429	1.843	4.115	2.984	0.398	0.080	0.070	5.394	0.154
2008	4.693	-	2.043	6.736	0.505	4.767	7.110	2.739	1.434	1.869	4.184	3.033	0.429	0.086	0.070	5.233	0.154
2007	4.693	-	1.597	6.290	0.489	4.767	7.813	2.727	1.443	1.819	4.212	2.449	0.278	0.097	0.070	5.295	0.154
2006	4.693	1.500	1.783	7.976	0.495	4.767	7.918	2.715	1.451	1.822	4.014	2.840	0.284	0.119	0.070	5.307	0.154
2005	4.693	-	1.904	6.597	0.510	4.767	7.979	2.698	1.455	1.826	4.104	2.873	0.284	0.110	0.070	5.279	0.154

The permanent and local option tax rates are determined by the State of Oregon Constitution and State Statutes. Existing districts cannot increase their permanent rate authority. Local option levies are limited to five years for operations and ten years for capital projects. Elections for local option levies must meet the double majority election test, except in the November general election in even numbered years. Rates for debt service are set based on each year's requirements.

**Source:** Washington Co. and Multnomah Co. Departments of Assessment and Taxation.

**BEAVERTON SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS PRIOR**

Taxpayer	June 2014					June 2005						
	Beaverton School District			Washington County		Beaverton School District			Washington County			
	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	
Nike, Inc.	\$ 403,515,910	1	1.67 %	\$ 566,111,038	2	1.11 %	\$ 138,042,784	3	0.82 %	\$ 329,849,222	3	0.92 %
PS Business Parks LP	103,984,552	6	0.43				134,867,465	2	0.81	134,810,420	7	0.38
PPR Washington Square LLC	115,806,850	7	0.48	134,845,690	10	0.26	68,069,206	10	0.41			
Maxxim Integrated Products, Inc.	110,266,160	8	0.46	142,394,136	9	0.28	94,757,570	8	0.57	119,067,880	10	0.33
Beaverton LLC	99,800,090	9	0.41									
Bernard Properties LLC	60,089,000	10	0.25									
Intel				1,269,464,924	1	2.48				1,027,637,443	1	2.87
Pacific Realty Associates				308,313,428	4	0.60				217,217,649	5	0.61
Fred Meyer Stores, Inc.				149,478,380	8	0.29						
Novellus Systems, Inc.												
Tektronix Inc							128,176,720	4	0.77	128,605,306	8	0.36
ERP Operating Ltd Partnership							103,441,800	5	0.62	128,403,922	9	0.36
Amberjack Ltd.							104,011,636	7	0.62			
Public Utilities												
Portland General Electric Co.	142,268,880	2	0.59	412,348,330	3	0.81	116,440,500	6	0.70	313,884,752	4	0.88
Comcast Corporation	143,952,400	3	0.60	267,863,300	5	0.52						
Frontier Communications (formerly Verizon)	117,749,000	4	0.49	249,585,000	7	0.49	173,151,100	1	1.03	350,286,971	2	0.98
Northwest Natural Gas	128,722,000	5	0.53	299,588,240	6	0.59	84,435,100	9	0.50	215,906,610	6	0.60
Subtotal of Ten Largest Taxpayers	1,426,154,842		5.91	3,799,992,466		7.42	1,145,393,881		6.84	2,965,670,175		8.29
All Other Taxpayers	22,688,763,789		94.09	47,380,248,964		92.58	15,602,870,629		93.16	32,827,312,018		91.71
Total Assessed Value of Tax District	\$ 24,114,918,631		100.00 %	\$ 51,180,241,430		100.00 %	\$ 16,748,264,510		100.00 %	\$ 35,792,982,193		100.00 %

Source: Washington County Department of Assessment & Taxation

Note: Ranked based on taxes levied.

**BEAVERTON SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 183,560,233	\$ 174,630,884	95.14 %	\$ 3,219,599	\$ 177,850,483	96.89 %
2013	157,726,841	150,601,309	95.48	2,397,551	152,998,860	97.00
2012	155,139,570	147,593,679	95.14	2,555,473	150,149,152	96.78
2011	148,921,305	140,983,744	94.67	4,076,674	145,060,418	97.41
2010	146,696,578	138,507,814	94.42	3,491,842	141,999,656	96.80
2009	135,514,754	127,776,537	94.29	2,746,675	130,523,212	96.32
2008	131,816,688	125,156,223	94.95	2,532,422	127,688,645	96.87
2007	117,082,726	111,488,243	95.22	2,499,575	113,987,818	97.36
2006	136,250,808	129,582,128	95.11	3,354,729	132,936,857	97.57
2005	110,578,642	104,969,221	94.93	2,436,379	107,405,600	97.13

(1) Amounts are based upon the tax collection year July 1 to June 30.

(2) Collections in subsequent years includes current year revenue received for taxes levied in prior years.

Source: Washington County Department of Assessment and Taxation and Beaverton School District financial records.



**BEAVERTON SCHOOL DISTRICT  
OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

*(dollars in thousands, except per capita)*

Fiscal Year	General					Net General Bonded Debt					Total Debt				
	Obligation Bonds	amortized Premium	Un- Less Amount Available for Repay.	General Bonded Debt	As a Percentage of Actual Value of Property	Per Capita <sup>a</sup>	Pension Obligation Bonds	FFC Bonds	Capital Leases	Primary Government	As		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>	
											Percentage of Taxable Value	Income <sup>a</sup>			
2014	\$ 233,560	\$ 24,782	\$ (2,323)	\$ 260,665	0.830 %	\$ 988	\$ 163,375	\$ 19,480	\$ 583	\$ 441,780	1.832 %	n/a	\$ 1,675		
2013	272,895	28,192	(2,591)	303,678	1.025	1,176	168,195	20,175	1,108	490,565	2.104	n/a	1,900		
2012	307,620	13,948	(3,939)	325,507	1.084	1,264	172,345	21,030	2,212	517,155	2.287	2.127 %	2,008		
2011	341,575	11,186	(3,030)	355,791	1.136	1,396	175,870	22,040	4,080	554,751	2.525	2.407	2,176		
2010	370,250	13,007	(3,371)	386,628	1.168	1,532	178,815	22,595	4,056	588,722	2.800	2.727	2,333		
2009	395,935	14,828	(2,403)	413,166	1.162	1,664	181,225	22,650	5,650	620,288	3.000	2.925	2,499		
2008	377,140	13,137	(5,935)	396,212	1.138	1,565	183,135	-	4,223	577,635	3.000	3.104	2,316		
2007	397,880	14,616	(5,877)	418,373	1.325	1,685	184,025	-	2,536	599,057	3.200	3.219	2,447		
2006	267,395	13,597	(6,563)	287,555	1.119	1,195	187,700	-	-	468,692	2.700	2.703	1,994		
2005	284,875	10,789	(5,351)	301,015	1.302	1,283	189,935	-	-	485,599	2.900	3.012	2,107		

<sup>a</sup> See Demographic and Economic Statistics for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

n/a - Information not available as of printing.

**BEAVERTON SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2014**

<u>Governmental Unit</u>	Net Property-tax Backed Debt Outstanding	Percent Within School District	Estimated Share of Direct and Overlapping Debt
	\$	100.00 %	\$
Beaverton School District	416,415,000	100.00	441,197,000 <sup>a</sup>
Tualatin Hills Park and Recreation District	96,683,112	96.96	93,747,426
Tualatin Valley Fire and Rescue	42,600,000	52.06	22,176,921
Washington County	20,235,000	47.85	9,681,699
Portland Community College	167,875,000	20.12	33,768,056
City of Tigard	26,820,000	17.39	4,662,925
Metro	222,955,000	16.09	35,862,312
City of Hillsboro	35,595,000	12.71	4,523,982
Multnomah County	183,565,000	0.15	270,575
City of Portland	130,695,000	0.11	140,366
Subtotal, overlapping debt			204,834,262
<b>Total direct and overlapping debt</b>			<b>\$ 646,031,262</b>

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Net Property-tax Backed Debt is Gross Property-tax Backed Debt less Self-supporting Unlimited-tax GO and less Self-supporting Full Faith & Credit debt.

Overlapping Debt is calculated by using Net Property-tax Backed Debt times Percent Overlapping that are provided by Oregon State Treasury, Debt Management Division.

<sup>a</sup> Includes unamortized premium of \$24,782,000

**Source:** State of Oregon - Office of the Treasurer

**BEAVERTON SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year 2014

Real Market Value	\$ 31,401,901,089
Debt limit (7.95% of real market value <sup>1</sup> )	2,496,451,137
Debt applicable to limit	<u>233,560,000</u>
Legal debt margin	<u>\$ 2,262,891,137</u>

Fiscal Year	Debt limit	Total net debt applicable to limit	Legal debt margin	Total net debt applicable to the limit as a percentage of debt limit	
					%
2014	\$ 2,496,451,137	\$ 233,560,000	\$ 2,262,891,137	9.36	%
2013	2,355,607,716	272,895,000	2,082,712,716	11.58	
2012	2,388,350,916	307,620,000	2,080,730,916	12.88	
2011	2,489,994,115	341,575,000	2,148,419,115	13.72	
2010	2,631,443,095	370,250,000	2,261,193,095	14.07	
2009	2,810,618,284	395,935,000	2,414,683,284	14.09	
2008	2,726,227,271	377,140,000	2,349,087,271	13.83	
2007	2,475,051,735	397,880,000	2,077,171,735	16.08	
2006	1,996,521,674	267,395,000	1,729,126,674	13.39	
2005	1,804,633,090	284,875,000	1,519,758,090	15.79	

<sup>1</sup> ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market value of all taxable properties within the District based on:

<sup>A</sup> For each grade from kindergarten to eighth for which the District operates schools, fifty-five one-hundredths of one percent (.0055) of the real market value.

<sup>B</sup> For each grade from ninth to twelfth for which the District operates schools, seventy-five one-hundredths of one percent (.0075) of the real market value.

Allowable Percentage of Real Market Value:

<sup>A</sup> Kindergarten through eighth grade, 9 x .0055

<sup>B</sup> Ninth through twelfth grade, 4 x .0075

Allowable Percentage

4.95%
<u>3.00%</u>
<u><u>7.95%</u></u>

**BEAVERTON SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS**

Calendar Year	Population <sup>a</sup> <i>Estimated</i>	Personal Income <sup>b</sup> <i>(thousands of dollars)</i>	Per Capita Personal Income	Unemployment Rate <sup>c</sup> <i>(Washington County)</i>
2014	263,778	n/a	n/a	n/a
2013	258,199	n/a	n/a	6.3 %
2012	257,562	\$ 24,314,346	\$ 44,396	7.1
2011	254,914	23,042,656	42,639	7.7
2010	252,293	21,586,715	40,606	9.1
2009	248,264	21,205,286	39,465	9.1
2008	249,399	21,185,612	40,188	9.3
2007	244,767	19,945,179	38,371	5.2
2006	235,100	18,607,666	36,259	4.3
2005	230,500	17,337,966	34,626	4.4

**Notes:**

n/a - Information not available as of printing.

<sup>a</sup> Bureau of Economic and Business Research and BSD estimates based on PSU Population Research Center data.

<sup>b</sup> U.S. Department of Commerce, Bureau of Economic Analysis.

<sup>c</sup> Oregon Labor Market, Labor Force Data for Washington County. Not seasonally adjusted.

**BEVERTON SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS FOR THE  
PORTLAND METRO AREA  
CURRENT AND NINE YEARS PRIOR**

<u>Employer</u>	December 31, 2013			December 31, 2004		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Ten Largest Employers						
Intel Corp.	16,700	1	1.54 %	14,363	1	1.42 %
Providence Health System	14,132	2	1.30	13,753	2	1.36
Oregon Health & Science University	14,106	3	1.30	11,400	3	1.13
U.S. Federal Government	13,900	4	1.28			
Fred Meyer Stores	10,176	5	0.94	5,300	9	0.52
Kaiser Permanente Northwest	9,896	6	0.91	7,433	5	0.73
Legacy Health System	9,835	7	0.91	7,907	4	0.78
City of Portland	9,318	8	0.86	5,355	8	0.53
State of Oregon	7,559	9	0.70			
Nike Inc.	7,000	10	0.65	5,742	7	0.57
Portland School District				6,700	6	0.66
Safeway Inc., Portland Division				5,282	10	0.52
Subtotal of Ten Largest Employers	112,622		10.39	83,235		8.22
All Other Employers	970,928		89.61	929,393		91.78
<b>Total Portland PMSA<sup>1</sup> Employment</b>	<b>1,083,550</b>		<b>100.00 %</b>	<b>1,012,628</b>		<b>100.00 %</b>

Portland MSA is the Portland-Vancouver-Hillsboro Metropolitan Statistical Area which includes Multnomah, Washington, Clackamas, Columbia and Yamhill counties in Oregon, as well as Clark and Skamania counties in Washington.

Source: Portland Business Journal Book of Lists and Oregon Employment Department Labor Market Information System (OLMIS)

**BEAVERTON SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE  
LAST TEN FISCAL YEARS**

	Full-time Equivalent Employees as of June 30,										% Change 2013 to 2014	
	2014 Salary Range	2014	2013	2012	2011	2010	2009	2008	2007	2006		2005
<b>Instruction</b>												
Certified	\$ 37,547	\$ 77,050	1,446.03	1,319.92	1,578.05	1,582.68	1,572.87	1,590.00	1,611.53	1,548.12	1,497.08	9.55 %
Support	24,669	51,161	109.28	98.51	77.65	76.30	78.03	85.60	92.31	79.34	74.16	10.94
<b>Special Programs</b>												
Certified	37,547	77,050	383.86	393.41	397.72	436.59	435.50	420.10	436.05	405.39	374.10	(2.43)
Support	24,669	64,504	213.81	225.06	259.69	256.25	278.56	263.54	268.64	241.62	231.25	(5.00)
Administration	96,009	189,973	-	-	1.00	1.00	1.00	3.00	3.00	3.00	1.95	1.00
<b>Student Support Services</b>												
Certified	37,547	77,050	176.58	170.80	183.67	188.86	196.46	192.22	184.11	178.51	161.48	155.69
Support	22,652	111,982	66.59	64.44	76.72	76.00	69.22	70.96	68.70	65.53	62.02	58.46
Administration	96,009	189,973	3.97	3.89	2.97	3.47	5.00	3.88	3.94	4.00	3.00	2.78
<b>Instructional Staff Support</b>												
Certified	37,547	77,050	20.34	16.27	71.82	101.09	99.01	146.59	122.66	123.74	96.63	61.53
Support	24,669	59,108	43.60	43.58	32.82	32.80	36.36	36.74	37.09	32.14	32.09	0.05
Administration	96,009	189,973	2.96	2.96	2.00	2.00	3.00	3.00	3.00	2.00	2.00	0.01
<b>General Administration Support</b>												
Support	24,669	138,140	5.03	1.53	5.03	5.00	5.17	6.00	5.45	5.09	4.81	4.36
Administration	96,009	189,973	2.75	2.75	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.84
<b>School Administration</b>												
Certified	37,547	77,050	12.37	15.20	12.93	10.86	10.38	15.05	18.42	14.67	6.00	7.40
Support	24,669	59,108	103.83	103.10	104.35	106.86	104.61	106.25	103.23	99.35	93.78	92.90
Administration	96,009	189,973	88.56	83.75	89.30	91.40	91.38	96.73	95.42	90.81	85.90	83.11
<b>Business Support Services</b>												
<b>General Business</b>												
Support	24,669	86,961	14.99	12.31	16.34	18.09	18.45	18.34	17.80	16.44	15.88	15.76
Administration	96,009	189,973	2.00	1.41	1.00	1.00	1.43	2.00	2.00	2.00	1.88	1.91
<b>Facilities</b>												
Support	22,797	86,961	201.63	190.54	206.19	212.52	213.67	209.38	200.21	201.91	195.79	193.96
Administration	96,009	189,973	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Transportation</b>												
Support	24,669	86,961	170.05	169.00	176.72	180.72	179.98	194.33	190.31	178.80	177.84	166.41
Administration	96,009	189,973	1.25	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Other Administration Support</b>												
Support	31,547	74,857	8.78	8.00	9.67	10.00	9.75	10.52	10.63	11.99	10.61	9.97
<b>Central Support Services</b>												
Certified	37,547	77,050	4.20	4.52	5.29	5.30	4.49	5.50	5.50	5.75	6.12	6.12
Support	24,669	90,436	67.09	60.00	60.87	66.87	68.44	69.80	64.14	57.82	54.38	52.20
Administration	96,009	189,973	7.00	7.00	6.51	7.00	7.90	8.00	7.96	7.11	6.62	7.00
<b>Food Services</b>												
Support	20,634	51,574	102.07	97.83	103.01	103.55	103.19	99.15	94.90	96.74	93.10	91.63
Administration	96,009	189,973	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.49
<b>Community Services &amp; Custody and Care of Children Services</b>												
Certified	37,547	77,050	0.37	0.52	0.53	0.54	0.53	0.54	0.54	0.54	0.64	1.04
Support	22,652	90,436	1.35	1.11	1.69	1.55	2.49	1.25	1.25	1.26	1.26	1.26
<b>Facilities Acquisition and Construction</b>												
Support	58,233	86,961	4.50	3.57	3.14	10.49	14.20	15.62	15.60	6.47	5.18	4.65
Administration	96,009	189,973	1.91	1.16	1.00	1.81	2.00	2.00	1.92	1.71	1.00	1.00
<b>Total</b>			3,248.75	3,105.39	3,493.68	3,596.78	3,619.24	3,682.25	3,672.50	3,525.27	3,376.10	3,236.54
			<b>Number of Teachers</b>									
<b>Bachelor's Salary Range</b>	\$ 37,547	\$ 70,987	281.00									
<b>Master's Salary Range</b>	\$ 40,764	\$ 77,050	1763.00									
<b>Average Teacher Salary</b>	\$ 57,978											

**Notes:**

Full-time certified employees of the district are employed for 193 days, at eight hours per day, or 1,544 hours per year. Total work hours by certified employees are divided by 1,544 to obtain full-time-equivalent employment. Full-time-equivalent employment for all other positions is determined based on 2,080 hours per year (52 weeks, five days at eight hours).

The data presented has been updated to reflect actuals. In prior years, the data presented was budgeted information.

Source: Beaverton School District records.

**BEAVERTON SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS**

Fiscal Year	Operating Expenditures <sup>a</sup>		Cost per Student		Percentage Change		Expenses <sup>b</sup>		Cost per Student		Percentage Change		Certified Staff	Student-Certified Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
	Enrollment		per Student	Student	Change		per Student	Student	Change	Student	Change	Certified Staff	Ratio	Meals	
2014	39,509	\$ 358,429,992	\$ 9,072	\$ 440,034,576	7.92 %	\$ 11,138	8.92 %	2,044	19.33	38.7 %					
2013	39,427	331,435,118	8,406	403,154,789	(5.62)	10,225	(4.21)	1,921	20.53	39.4					
2012	39,054	347,848,421	8,907	416,879,439	1.64	10,674	(0.47)	2,250	17.36	40.6					
2011	38,814	340,145,111	8,763	416,285,386	2.36	10,725	(4.24)	2,326	16.69	39.8					
2010	38,090	326,089,678	8,561	426,620,290	(1.13)	11,200	(8.86)	2,319	16.43	38.8					
2009	37,613	325,688,733	8,659	462,224,384	1.55	12,289	2.74	2,370	16.44	35.8					
2008	37,789	322,222,955	8,527	452,003,101	6.80	11,961	23.07	2,379	15.95	32.8					
2007	37,687	300,894,945	7,984	366,281,461	4.70	9,719	(5.18)	2,298	16.64	31.7					
2006	36,646	279,458,298	7,626	375,640,014	10.06	10,251	19.74	2,193	17.10	30.0					
2005	36,116	250,242,760	6,929	309,166,117	11.01	8,560	10.04	2,103	17.91	31.0					

**Notes:**

<sup>a</sup>Operating expenditures are all governmental fund expenditures less debt service and capital outlays.  
<sup>b</sup>Expenses include capital projects and debt service activity.

<sup>c</sup>Includes classroom, music, physical education, special education teachers, and counselors.  
n/a - Information not available as of printing.

**Source:** Beaverton School District records.

**BEAVERTON SCHOOL DISTRICT  
CAPITAL ASSET INFORMATION  
LAST TEN FISCAL YEARS**

	Fiscal Year										Average Age of Buildings (in years)	
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005		
<b>Schools</b>												
<b>Elementary</b>												
Buildings	33	33	33	33	33	32	32	32	31	31	31	45
Square feet	2,012,047	2,012,047	2,012,047	2,012,047	2,012,047	1,865,333	1,874,720	1,874,720	1,768,674	1,768,674	1,768,674	
Capacity	21,189	21,207	21,207	21,225	21,140	19,849	19,162	18,954	17,809	17,809	17,548	
Enrollment	17,987	17,952	17,917	17,818	17,445	17,801	17,693	17,572	16,968	16,968	16,647	
Percent used	85%	85%	84%	84%	83%	90%	92%	93%	95%	95%	95%	
<b>Middle</b>												
Buildings	9	9	9	9	9	9	8	8	8	8	8	39
Square feet	1,092,123	1,092,123	1,092,123	1,092,123	1,092,123	1,088,018	1,024,714	1,038,458	1,038,458	1,038,458	1,038,458	
Capacity	9,060	9,060	9,060	9,053	9,031	8,829	8,176	8,110	8,121	8,121	8,072	
Enrollment	8,870	8,842	8,734	8,567	8,405	8,124	8,265	8,293	8,221	8,221	8,359	
Percent used	98%	98%	96%	95%	93%	92%	101%	102%	101%	101%	104%	
<b>High</b>												
Buildings	8	8	8	8	8	8	7	7	7	7	7	52
Square feet	1,577,723	1,589,523	1,589,523	1,589,523	1,589,141	1,469,139	1,435,263	1,435,263	1,435,263	1,435,263	1,435,263	
Capacity	11,496	11,568	11,568	11,548	11,545	11,184	10,696	10,515	10,350	10,350	10,293	
Enrollment	11,262	11,227	11,340	11,311	11,055	11,688	11,831	11,822	11,457	11,457	11,110	
Percent used	98%	97%	98%	98%	96%	105%	111%	112%	111%	111%	108%	
<b>Other</b>												
Buildings	2	2	2	2	2	3	3	3	3	3	3	29
Square feet	40,607	40,607	40,607	40,607	40,607	50,607	50,607	50,607	50,607	50,607	50,607	
<b>Administrative</b>												
Buildings	1	1	1	1	1	1	1	1	1	1	1	42
Square feet	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	
<b>Transportation</b>												
Garages/Buildings	4	4	4	4	4	4	4	4	4	4	4	37
Buses	318	317	317	317	300	320	320	303	283	283	271	

Source: Beaverton School District Annual District Statistics.

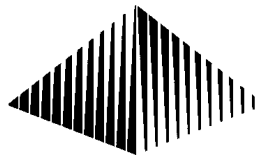


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# Single Audit Section







## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
475 Cottage Street NE, Suite 200, Salem, Oregon 97301  
(503) 581-7788

### ***INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS***

School Board  
Beaverton School District  
Beaverton, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Beaverton School District, Washington County, Oregon, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 12, 2014.

#### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### ***Compliance and Other Matters***

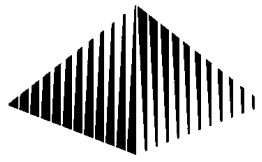
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
CERTIFIED PUBLIC ACCOUNTANTS

November 12, 2014



## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
475 Cottage Street NE, Suite 200, Salem, Oregon 97301  
(503) 581-7788

### ***INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133***

School Board  
Beaverton School District  
Beaverton, Oregon

#### ***Report on Compliance for Each Major Federal Program***

We have audited Beaverton School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

#### ***Opinion on Each Major Federal Program***

In our opinion, Beaverton School District, Washington County, Oregon complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

#### ***Report on Internal Control over Compliance***

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but

not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Purpose of this Report***

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
CERTIFIED PUBLIC ACCOUNTANTS

November 12, 2014

**BEAVERTON SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND LOCAL AWARDS**  
**SPECIAL PROGRAMS FUND**  
**YEAR ENDED JUNE 30, 2014**

<b>Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Number</b>	<b>Period Covered</b>	<b>Grant Amount</b>	<b>2013-14 Revenue and Expenditures</b>
<b>U.S. Department of Education</b>					
Direct:					
Title VII - Indian Education	84.060	S060A122500	07/01/12 - 08/31/13	\$ 36,970	\$ -
Title VII - Indian Education	84.060	S060A132500	07/01/13 - 06/30/14	38,169	38,169
					<u>38,169</u>
Investing in Innovation (i3) (SFSE) - ARRA	84.396C	U396C100900	10/01/10 - 09/30/15	4,041,659	810,487
<b>Total Direct</b>					<u><u>848,656</u></u>
Passed through Oregon Department of Education:					
Title I, Part A					
Title I Grants to Local Educational Agencies	84.010	28082	07/01/13 - 09/30/14	5,092,349	4,511,500
Title I Grants to Local Educational Agencies	84.010	25626	08/01/12 - 09/30/13	5,000	-
Title I Grants to Local Educational Agencies	84.010	25202	07/01/12 - 09/30/14	5,056,052	671,869
					<u>5,183,369</u>
Total Title I, Part A					
Title IC - Migrant Education - State Grant Program	84.011	25372	07/01/12 - 09/30/14	234,729	36,107
Title IC - Migrant Education - State Grant Program	84.011	29952	07/01/13 - 09/30/14	222,922	150,771
Title IC - Migrant Education - State Grant Program	84.011	25391	07/01/12 - 09/30/13	15,863	9,540
Title IC - Migrant Education - State Grant Program	84.011	29971	07/01/13 - 09/30/14	13,519	13,519
Title IC - Migrant Education - State Grant Program	84.011	27277	04/15/13 - 09/30/13	54,035	42,916
Title IC - Migrant Education - State Grant Program	84.011	31051	04/15/14 - 09/30/14	67,731	16,608
					<u>269,461</u>
Title IC - Migrant Education - Coordination Program	84.144	31051	04/15/14 - 09/30/14	1,995	1,425
					<u>270,886</u>
Total Title IC - Migrant Education					
Title IIA - Improving Teacher Quality State Grants	84.367	25424	07/01/12 - 09/30/14	865,186	155,294
Title IIA - Improving Teacher Quality State Grants	84.367	28594	07/01/13 - 09/30/14	812,291	664,792
Title IIA - Improving Teacher Quality State Grants	84.367	26873	07/01/12 - 09/30/13	16,189	1,606
Title IIA - Improving Teacher Quality State Grants	84.367	29406	08/12/13 - 06/30/14	24,301	24,301
Title IIA - Improving Teacher Quality State Grants	84.367	18044	07/01/13 - 06/30/14	12,721	4,738
Title IIA - Improving Teacher Quality State Grants	84.367	27164	11/01/12 - 09/01/14	60,000	21,181
					<u>871,912</u>
Title III - English Language Acquisition State Grants	84.365	25106	07/01/12 - 09/30/14	703,117	278,907
Title III - English Language Acquisition State Grants	84.365	29990	07/01/13 - 09/30/14	682,323	373,573
					<u>652,480</u>
Career and Technical Education - Basic Grants to States	84.048	24822	07/01/12 - 09/30/13	258,670	10,869
Career and Technical Education - Basic Grants to States	84.048	27358	07/01/13 - 09/30/14	260,097	255,241
					<u>266,110</u>
School Improvement Grants Cluster					
School Improvement 1003-G	84.377	28052	07/01/13 - 09/30/15	413,835	301,745
School Improvement 1003-G	84.377	24906	06/01/12 - 09/30/13	408,000	134,589
<b>Total School Improvement Grants Cluster</b>					<u><u>436,334</u></u>
Special Education Cluster (IDEA)					
Special Education Grants to States	84.027	28397	07/01/13 - 09/30/15	6,214,264	5,285,298
Special Education Grants to States	84.027	23534	07/01/11 - 09/30/13	6,634,650	394
Special Education Grants to States	84.027	26637	07/01/12 - 09/30/14	6,773,724	370,769
Special Education Grants to States	84.027	27803	08/01/13 - 06/30/14	15,865	15,865
Special Education Grants to States	84.027	26414	10/01/12 - 09/30/13	21,218	10,303

See additional information in the Notes to Schedule of Expenditures of Federal, State and Local Awards.



**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND LOCAL AWARDS  
SPECIAL PROGRAMS FUND  
YEAR ENDED JUNE 30, 2014**

<b>Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Number</b>	<b>Period Covered</b>	<b>Grant Amount</b>	<b>2013-14 Revenue and Expenditures</b>
Special Education Grants to States	84.027	27615	07/01/13 - 06/30/14	\$ 16,200	\$ 16,200
Special Education Grants to States	84.027	29718	10/01/13 - 09/30/14	21,218	902
					<u>5,699,731</u>
Special Education Preschool Grants	84.173	28810	07/01/13 - 09/30/15	24,779	11,606
Special Education Preschool Grants	84.173	26221	07/01/12 - 09/30/14	28,098	14,076
					<u>25,682</u>
<b>Total Special Education Cluster (IDEA)</b>					<u>5,725,413</u>
Passed through University of Oregon Education Research, Development and Dissemination	84.305	224001B	07/01/13 - 06/30/14	76,552	76,552
Total Ed. Research, Develop. & Diss. Cluster					<u>76,552</u>
Statewide Data Systems Cluster Statewide Data Systems, Recovery Act RDWP ARRA	84.384	25099	05/01/12 - open	99,993	45,000
Total Statewide Data Systems Cluster					<u>45,000</u>
<b>Total U.S. Department of Education</b>					<u>13,528,056</u>
<b>U.S. Department of Health &amp; Human Services</b>					
Direct					
Affordable Care Act (ACA) Grants for Capital Development in Health Centers	93.526	13-3984019	12/01/12 - 11/30/14	500,000	54,153
Total ACA Capital Devel in Health Centers					<u>54,153</u>
Passed through Administration for Children and Families CCDF Cluster					
Child Care and Development Block Grant	93.575	9931 (14-039)	07/01/13 - 06/30/15	270,000	53,171
Total CCDF Clutster					<u>53,171</u>
Head Start Kindergarten Readiness Assessment ARRA	93.708	27418	03/01/12 - 08/30/13	1,500	-
Total Head Start					<u>-</u>
<b>Total U.S. Department of Health &amp; Human Services</b>					<u>107,324</u>
<b>U.S. Department of Transportation</b>					
Passed through Oregon Department of Transportation Highway Planning and Construction Cluster					
Highway Planning and Construction	20.205	HU-13-10-14	10/01/12 - 09/30/13	35,000	17,548
Total Highway Planning and Construction Cluster					<u>17,548</u>
<b>Total U.S. Department of Transportation</b>					<u>17,548</u>
<b>U.S. Department of Agriculture Food and Nutrition Services:</b>					
Passed through Oregon Department of Education:					
Child Nutrition Cluster:					
School Breakfast Program	10.553	N/A	07/01/13- 06/30/14	1,356,763	1,356,763
National School Lunch Program	10.555	N/A	07/01/13- 06/30/14	5,541,402	6,356,842
Summer Food Service Program for Children	10.559	N/A	07/01/13- 06/30/14	407,498	409,607
Total Child Nutrition Cluster					<u>8,123,212</u>

See additional information in the Notes to Schedule of Expenditures of Federal, State and Local Awards.

**BEAVERTON SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND LOCAL AWARDS**  
**SPECIAL PROGRAMS FUND**  
**YEAR ENDED JUNE 30, 2014**

<b>Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Number</b>	<b>Period Covered</b>	<b>Grant Amount</b>	<b>2013-14 Revenue and Expenditures</b>
Child and Adult Food Care Program	10.558	N/A	07/01/13- 06/30/15	\$ 13,067	\$ 5,060
Child and Adult Food Care Program	10.558	N/A	07/01/12- 06/30/13	183,798	183,798
					<u>188,858</u>
Fresh Fruits and Vegetable - Vose	10.582	28999	07/01/13 - 09/30/13	3,365	1,949
Fresh Fruits and Vegetable - Vose	10.582	30086	10/01/13 - 06/30/14	33,162	33,162
Fresh Fruits and Vegetable - William Walker	10.582	29002	07/01/13 - 09/30/13	2,950	1,854
Fresh Fruits and Vegetable - William Walker	10.582	30087	10/01/13 - 06/30/14	28,577	28,577
					<u>65,542</u>
<b>Total U.S. Department of Agriculture Food and Nutrition Services</b>					<u><u>8,377,612</u></u>
<b>U.S. Department of Housing and Urban Development:</b>					
Passed through City of Beaverton					
CDBG - Entitlement Grants Cluster					
Beaverton High Center Project	14.218	N/A	07/15/13 - 12/31/14	108,000	-
Total CDBG - Entitlement Grants Cluster					<u>-</u>
<b>Total Federal Awards</b>					<u><u>22,879,196</u></u>
<b>State and local awards:</b>					
State Farm YAB Grant (Terra Nova)	N/A	N/A	07/01/11 - open	64,080	-
Washington County: After School Programs (4 schools)	N/A	N/A	07/01/13 - 06/30/14	33,194	30,160
Intel STEM Highland Park	N/A	N/A	05/20/14 - open	10,000	-
MACC Resilient Border Router	N/A	N/A	01/01/09 - open	46,698	14,406
Organizational Assessment	N/A	N/A	01/10/14 - 06/30/14	35,000	35,000
Confucious Classroom	N/A	N/A	03/01/14 - open	20,000	5,531
Verizon Science & Technology	N/A	N/A	03/27/14 - open	5,000	-
Investigations in the Properties of CCD	N/A	N/A	04/30/14 - 05/01/15	7,000	-
Beaverton High ASPIRE	N/A	N/A	09/16/13 - 09/17/14	3,000	2,456
Hatfield Family Music	N/A	N/A	05/08/13 - 06/30/15	11,000	7,224
AP Testing	N/A	N/A	07/01/13 - 06/30/14	30,169	30,169
Pepsi Refresh Grant	N/A	N/A	07/01/11 - open	5,000	5
BVT Together Youth Enhancement	N/A	N/A	07/01/09 - open	21,782	36
Educator Institute - Salem	N/A	32467	06/16/14 - 06/27/14	800	-
Educator Effectiveness/CCSS	N/A	30442	01/02/14 - 06/30/15	415,771	169,043
CTSO Chapter Grant	N/A	N/A	02/03/14 - 05/15/14	1,600	834
Intel : Science Fair	N/A	N/A	07/01/12 - 06/30/13	8,600	420
ETIC UO Science	N/A	N/A	04/01/13 - 06/30/14	10,000	8,894
Farm to School	N/A	30692	10/01/13 - 04/30/15	60,500	2,401
Oregon FIRST Robotics	N/A	28777	09/01/13 - 06/30/14	5,000	5,000
Regional Data Warehouse 12-13	N/A	25099	05/01/12 - open	115,500	-
Arts for Learning Matching Funds	N/A	N/A	10/01/10 - 09/30/15	1,101,000	81,493
BEF: Vose Summer Go Green!	N/A	N/A	06/23/14 - 07/24/14	7,700	6,495
UO: ROOTS Research	N/A	N/A	09/01/13 - 06/30/14	59,996	38,109
BEF: McKinley Jumpstart to First Summer Program	N/A	N/A	06/23/14 - 07/24/14	10,000	-
BEF: Stoller Extended Day	N/A	N/A	09/13/13 - 06/30/14	2,000	2,000
BEF: Cedar Park Extended Day	N/A	N/A	09/01/13 - 06/30/14	2,000	2,000
Kaiser: Child Healthcare Program	N/A	N/A	06/01/09 - open	35,949	-
Washington Mutual: ESL Parental Involvement	N/A	N/A	11/17/03 - open	35,000	4
OYCC Summer Program	N/A	N/A	06/01/13 - 10/15/13	16,500	9,854
Aloha Automotive Oregon Community Foundation	N/A	N/A	07/15/13 - 06/30/14	5,000	5,000
CEYP "Tax Credit" Donations	N/A	N/A	10/01/02 - open	114,300	661
OCF Environmental Education Program	N/A	N/A	07/01/11- open	25,000	3,094
Aspire Oregon	N/A	N/A	01/14/11 - open	4,000	3,275
MACC	N/A	N/A	02/01/14 - open	39,267	2,972

See additional information in the Notes to Schedule of Expenditures of Federal, State and Local Awards.

**BEAVERTON SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND LOCAL AWARDS  
SPECIAL PROGRAMS FUND  
YEAR ENDED JUNE 30, 2014**

<b>Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Number</b>	<b>Period Covered</b>	<b>Grant Amount</b>	<b>2013-14 Revenue and Expenditures</b>
ACT Plan Reimbursement	N/A	N/A	9/1/13 - 6/30/14	\$ 35,105	\$ 31,805
2005 Strategic Investment	N/A	N/A	02/11/05 - open	228,660	-
BEF: Ridgewood Summer Academy	N/A	N/A	06/17/13 - 09/30/13	9,957	9,175
BEF: Raleigh Park Summer at the Park	N/A	N/A	06/18/13 - 09/30/13	8,500	5,877
BEF: McKinley Jumpstart to First Summer Program	N/A	N/A	07/01/13 - 08/01/13	10,000	9,583
Professional Learning Conf - District PLT	N/A	31083	03/01/14 - 06/30/14	5,505	5,505
Intel STEM	N/A	N/A	07/01/13 - open	15,000	12,071
Intel	N/A	N/A	07/01/09 - open	10,945	1,078
Washington County: Community Learning Center Evaluation	N/A	N/A	07/01/13 - 06/30/14	2,000	2,000
Fuel Up to Play Dairy Grant	N/A	N/A	07/01/11 - open	2,950	54
BEF: Raleigh Hills Pyublishing House	N/A	N/A	07/01/13 - 06/30/14	9,515.00	9,418.00
MACC	N/A	N/A	01/01/14 - open	44,772	-
BEF: Chehalem Summer	N/A	N/A	06/23/14 - 07/27/14	6,500	2,281
BEF: Aloha Huber Math Plus Reinforcement	N/A	N/A	06/23/14 - 06/30/14	6,566	-
BEF: C Mill, R Park & Ridgewood Summer Program	N/A	N/A	06/16/14 - 08/15/14	24,000	-
BEF: ISB Algebra Academy Summer	N/A	N/A	06/01/13 - 09/30/13	2,500	2,097
BEF: Highland Park Extended Day	N/A	N/A	09/01/13 - 06/30/14	6,850	6,850
BEF: Mt View Extended Day	N/A	N/A	09/01/13 - 06/30/14	3,850	3,850
BEF: Meadow Park Extended Day	N/A	N/A	09/01/13 - 06/30/14	3,850	3,850
BEF: Whitford Extended Day	N/A	N/A	09/01/13 - 06/30/14	3,600	1,937
UO: NumberShire K	N/A	N/A	06/09/14 - 06/30/14	1,080	652
UO: NumberShire 1	N/A	N/A	09/01/13 - 12/31/13	11,431	4,943
Washington Mutual: Spanish-Speaking Community Liason	N/A	N/A	11/30/05 - open	15,000	842
MACC: Router Upgrade/PCN	N/A	N/A	07/01/08 - open	90,787	2,199
Nike Autism Consultants	N/A	N/A	07/01/11 - open	10,000	-
Washington Mutual: ELL Learning Communities	N/A	N/A	10/05/04 - open	25,000	-
ELP Standards Professional Learning	N/A	31015	04/04/14 - 06/30/15	49,071	-
Accelerated College Credit Program	N/A	30973	01/17/14 - 06/30/15	1,906	1,906
Summer-After School Expansion	N/A	31338	04/15/14 - 09/22/14	615	615
WCC Mentor from Hillsboro School District	N/A	N/A	07/01/13 - 06/30/14	117,800	117,800
Intel: Lead the Way Health and Science High School	N/A	N/A	11/17/10 - open	14,960	-
GAPS Foundation	N/A	N/A	11/01/12 - open	1,799	-
Culturally Responsive Pedagogy	N/A	31291	04/01/14 - 06/30/15	78,306	-
Outdoor School Gray Family Foundation	N/A	N/A	10/01/13 - 06/30/14	10,800	9,954
Professional Learning Conf - District PLT	N/A	30222	10/01/13 - 09/30/14	16,179	57
CTE Revitalization HS2	N/A	30766	01/01/14 - 06/30/15	353,630	57,772
UO: EVI Project	N/A	R#324A110135	09/01/13 - 06/30/14	10,260	9,691
Washington County: Beaverton Health Center Marketing	N/A	N/A	05/01/14 - 06/30/15	5,000	-
954 Intel Science Fair	N/A	N/A	07/01/13 - open	8,600	7,836
Washington County: Family Resource Center	N/A	N/A	07/01/13 - 06/30/14	75,386	74,599
Fuel Up to Play Dairy Grant - Conestoga	N/A	N/A	07/01/11 - open	3,000	145
Highland Park Fuel up to Play	N/A	N/A	02/01/14 - open	2,600	2,600
Highland Park Pershing Humanities Library Books	N/A	N/A	02/01/14 - open	1,000	1,000
Nike - NSIF Vision 13-14	N/A	N/A	01/01/14 - 06/30/14	200,000	113,510
McKinney Vento Title X Hillsboro SD	N/A	N/A	07/01/13 - 06/30/14	17,184	16,523
BEF Springville Using Tech & Nonfiction	N/A	N/A	07/01/13 - 06/30/14	4,617	1,156
BEF: Conestoga Extended Day	N/A	N/A	09/01/13 - 06/30/14	2,000	2,000
BEF: Five Oaks Extended Day	N/A	N/A	09/01/13 - 06/30/14	3,850	2,062
<b>Total State and Local Awards</b>					<b>1,001,829</b>
<b>TOTAL Federal, State and Local Awards</b>					<b>\$ 23,881,025</b>

See additional information in the Notes to Schedule of Expenditures of Federal, State and Local Awards.

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND LOCAL AWARDS**  
**YEAR ENDED JUNE 30, 2014**

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**PURPOSE OF THE SCHEDULE**

The accompanying Schedule of Expenditures of Federal, State and Local Awards (the "Schedule") is a supplementary schedule to the District financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a selected portion of the activities of the District, it is not intended to and does not present the financial position, changes in fund balances, or the operating funds' revenues, expenditures and changes in position of the District.

**SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF PRESENTATION**

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**FEDERAL FINANCIAL ASSISTANCE**

Pursuant to the Single Audit Act Amendments of 1996 and OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, non-monetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

**MAJOR PROGRAMS**

The Single Audit Act Amendments of 1996 and OMB Circular A-133 establish criteria to be used in defining major federal financial assistance programs. Major programs for the District are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in OMB Circular A-133. Programs with similar requirements may be grouped into a cluster for testing purposes.

**REPORTING ENTITY**

The reporting entity is fully described in notes to the financial statements. The Schedule includes all federal programs administered by the District for the year ended June 30, 2014.

**REVENUE AND EXPENDITURE RECOGNITION**

The receipt and expenditure of federal awards are accounted for using the modified accrual basis of accounting. Revenues are recognized when measurable and available. Expenditures are recorded when the liability is incurred. Donated commodities are valued at their estimated fair value.

**BEAVERTON SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2014**

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**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553 & 10.559	Child Nutrition Cluster
84.027 & 84.173	Special Education Cluster (IDEA)
84.396	SFSF-Investing in Innovation (i3) Fund (ARRA)
84.365	English Language Acquisition Grants
84.377	School Improvement Grants

Dollar threshold used to distinguish between type A and type B programs:	\$686,376
Auditee qualified as low-risk auditee?	Yes

**FINANCIAL STATEMENT FINDINGS**

None.

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.

# Compliance Section





**INDEPENDENT AUDITOR'S REPORT**  
**REQUIRED BY OREGON STATE REGULATIONS**

Oregon Administrative Rules 162-10-000 through 162-10-320 incorporated in the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy; enumerate the financial statements, schedules, and comments and disclosures required in all audit reports. The required statements and schedules are set forth in the preceding sections of this report. Required independent auditor's report and comments and disclosures related to the audit of such statements and schedules are set forth in the following pages.



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## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
475 Cottage Street NE, Suite 200, Salem, Oregon 97301  
(503) 581-7788

### ***INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS***

School Board  
Beaverton School District  
Beaverton, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of Beaverton School District, Washington County, Oregon (the District) as of and for the year ended June 30, 2014, and have issued our report thereon dated November 12, 2014.

#### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **State school fund factors and calculation.**

In connection with our testing nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as follows:

- In our testing of teacher experience, one of 25 teachers tested was reported in error. The District has subsequently corrected their reporting to the Oregon Department of Education.

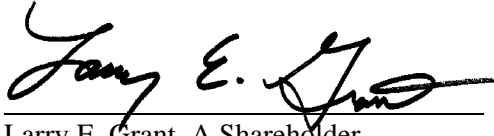
***Internal Control***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

***Restriction on Use***

This report is intended solely for the information and use of the school board and management of the Beaverton School District and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

*GROVE, MUELLER & SWANK, P.C.*  
*CERTIFIED PUBLIC ACCOUNTANTS*

By:   
Larry E. Grant, A Shareholder  
November 12, 2014